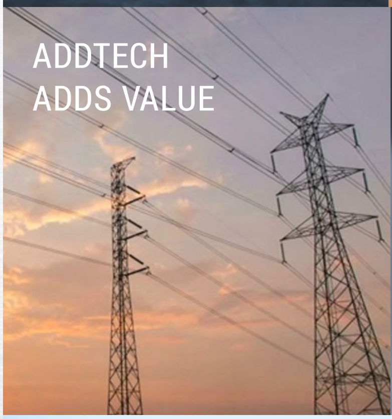
ANNUAL REPORT **2013/2014**

2,150
EMPLOYEES



ADDTECH
ADDS VALUE

6,089
MILLION IN
NET SALES

READ OUR
ANNUAL REPORT
2013/2014 AT
WWW.ADDTECH.COM

"ENTREPRENEURSHIP IS ALL
ABOUT THE RIGHT MINDSET"
JOHAN SJÖ, CEO

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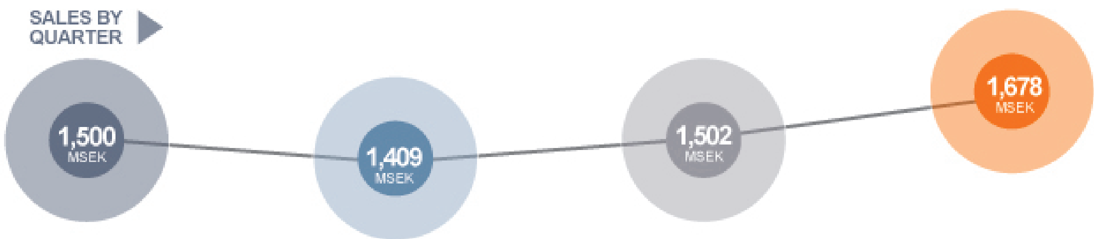
THE YEAR IN BRIEF

THE 2013/2014 FINANCIAL YEAR

- Net sales rose by 13 percent and reached SEK 6,089 million.
- Operating profit increased by 15 percent to SEK 501 million.
- Profit after tax rose by 14 percent to SEK 369 million, corresponding to earnings per share of SEK 5.50.
- Cash flow from operations amounted to SEK 479 million.
- Return on equity totalled 30 percent and the equity ratio was 39 percent.
- Five acquisitions were made, adding sales of around SEK 300 million on an annual basis.
- The Board of Directors proposes a dividend of SEK 3.00 per share.
- A Share split took place, in which each share was divided into three (3) shares.
- The business climate has gradually become more stable over the financial year.
- Sales and earnings growth are coming from both organic growth and acquisitions.



Q1 MIXED MARKET CONDITIONS

Business conditions were stable but market conditions remained mixed, with several parts of the business performing well while others faced a tougher climate. The Group's sales and earnings growth were mainly attributable to the acquisitions made.

Q2 CONTINUED GROWTH

Market conditions remained largely unchanged from the first quarter. Growth was both organic and acquisition-based.

Q3 MORE POSITIVE

Business conditions were generally more positive and stable during the quarter. Delayed deliveries to manufacturing customers and some customers in the electric power segment had a negative impact on Components and Energy, while demand rose for Life Sciences products.

Q4 INCREASED DEMAND

Underlying demand in the last quarter was unchanged. The delayed deliveries from the third quarter were carried out as planned, resulting in the fourth quarter showing very strong organic sales and earnings growth.

	2013/2014	2012/2013	Change, percent
Net sales, SEKm	6,089	5,403	13
Operating profit, SEKm	501	437	15
Return on working capital (P/WC), %	47	45	2
Earnings per share, SEK	5.50	4.85	13
Shareholders' equity per share, SEK	20.10	16.70	20
Return on equity, %	30	31	-1
Average number of employees	2,100	1,815	16

For definitions, see page 110.

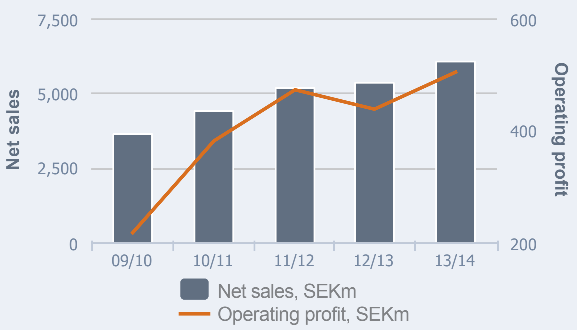
THIS IS ADDTECH

TECHNOLOGY TRADING UNDER MANY BRANDS

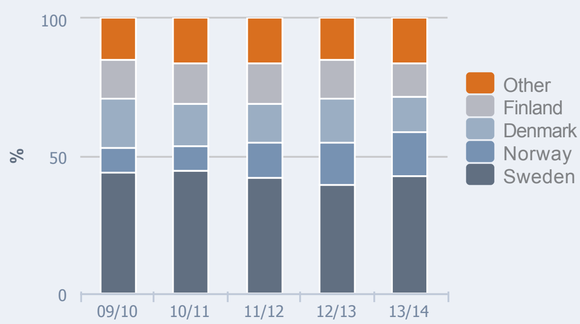
Addtech is a technology trading group that provides technological and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in the market for advanced technology products and solutions. Its customers primarily operate in the manufacturing industry and public sector. The Group has just over 2,000 employees in approximately 130 subsidiaries and achieves annual sales of about SEK 6 billion to around 30 countries.

Addtech's objective is to generate long-term operating profit growth of 15 percent a year and 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 financial strength and by continually acquiring niche technology trading companies within selected market segments.

Net sales and operating profit

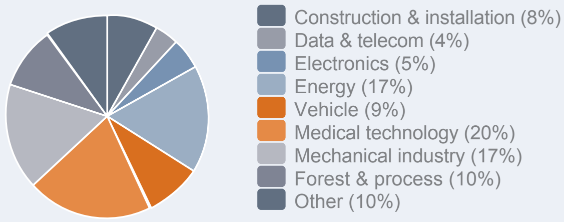


Sales by geographic market



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. Around half of the sales come from standard products and half from customised products, solutions or services. The close cooperation that the companies' sales staff have with world-leading customers such as ABB, Ericsson, Novo Nordisk, Sandvik, Tetra Pak and Volvo help boost competitiveness as these customers stipulate high innovation, quality and delivery requirements. This provides the Group with valuable knowledge about trends and driving forces in Nordic industry, which is then distributed throughout the Group and to the companies' suppliers.

Sales by customer segment



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

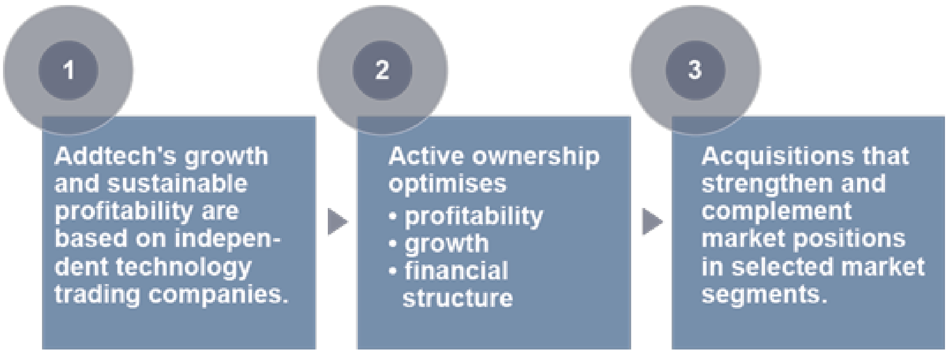
Shareholder value is underpinned by Addtech's value-adding base, which currently consists of approximately 130 operating companies that all strive to be market leaders in their niches. The companies, which are divided into four business areas, are united by a common corporate culture focused on business skills and technical expertise, combining the flexibility of small companies with the broad networks, resources and financial strength of the group. The companies' business models are based on the need for a link between customers and manufacturer that helps customers choose a supplier and technology from an increasingly complex market.

2. Active ownership

Addtech works actively to increase the profitability of its subsidiaries, but the role of owner is exercised with care. A number of subsidiaries have been created by spinning off successful business ideas from existing subsidiaries. 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.

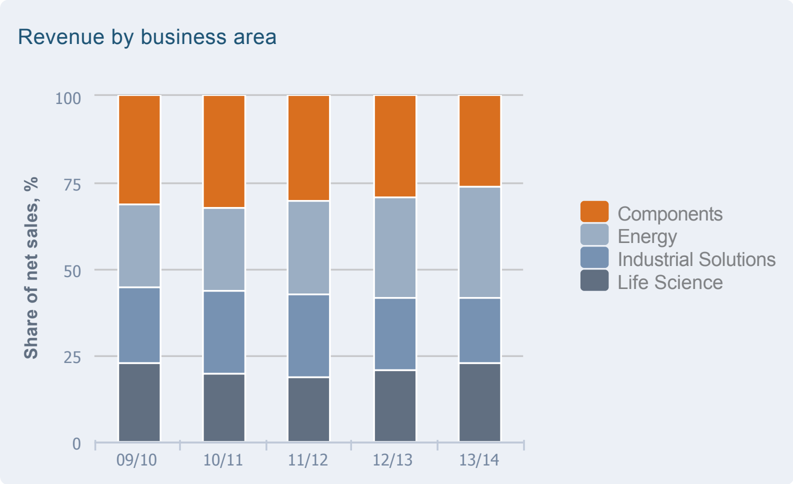
3. Acquisitions for growth

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, not least, motivated leaders and entrepreneurs. New companies also bring opportunities for efficiency enhancements and development.



BUSINESS AREAS

Addtech's business is organised into four business areas; Components, Energy, Industrial Solutions and Life Science. The Group is proactive in making the most effective use of the organisation so that the companies in these business areas cooperate to varying degrees with their sister companies.



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 ENERGY

Addtech Energy markets and sells battery solutions, power distribution and transmission 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, pylons, sectionalisers 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 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, pedals, turntables and ergonomic armrests for equipment such as forest machinery and forklift trucks.

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. More information about the earnings and financial position of Addtech's business areas can be found in the Administration Report.

COMMENTS BY THE PRESIDENT AND CEO

Entrepreneurship is about the desire to achieve something, to have the focus and drive to take ideas from concept to reality. Addtech consists of 130 companies run by entrepreneurs who together create our growth and profitability. As a group, we have succeeded in combining the healthy development of our companies with expansion through acquisitions of new businesses. This entrepreneurial approach throughout the Group has formed the basis for Addtech's strong performance since it was publicly listed in 2001.

Our earnings and shareholder value are primarily generated in our companies. That's where sales are made and our solutions become part of customers' products or production processes. We are constantly seeing new business opportunities and, thanks to our close relationship with customers and suppliers, we have good market knowledge. This helps our companies respond quickly to new market needs and trends, enabling them to successfully develop their businesses and business concepts. As owner, we work actively to increase the profitability of the companies and ensure that they benefit from the Group's resources and broad network. But our ownership is careful and considerate so that the individual businesses always are able to keep their own personality, efficiency and flexibility. This is a key part of our success.

"Entrepreneurship is about the desire to achieve something"

MORE STABLE MARKET CONDITIONS OFFER GROWTH OPPORTUNITIES

Addtech's operations cover a large number of product niches, customer segments and countries. This means that the market looks different to each of our companies. Many of them have performed well despite tough market conditions. This reflects our belief that opportunities always exist, regardless of the state of the market - you just have to take them.

Overall, demand improved slightly during the year and business conditions were more positive than the previous year. Demand on the Swedish market has gradually stabilised, and our Danish companies have, after struggling for some time with the country's economic downturn, started to see more positive market conditions. In the Norwegian market, the oil and gas sector has performed particularly well and still remains at a good level, while Finland has been more challenging, especially for our companies selling production components for the manufacturing industry. Overall, demand has been stronger for our companies operating outside the Nordic region, although it also in this case varies between product niches, customer segments and countries.

With hope of better market conditions we are now focussing on further improving growth within the Group. We need to raise the bar and become even better at enhancing what we are already good at. An example of this is the expanding construction and installation market, where a number of our companies in Components and Energy can contribute with more of their expertise and take market shares.

ACQUISITIONS SHOULD ALWAYS COMPLEMENT OUR BUSINESS OPERATIONS

Acquisition of new businesses is part of Addtech's business model and enables us to create long-term growth in earnings and shareholder value. Acquisitions help us continue to improve and we are constantly looking for acquisition opportunities to strategically strengthen our existing companies, business units and business areas. During the year we made five acquisitions with total sales of around SEK 300 million.

There are plenty of well-run companies in attractive market niches and we will continue acquiring businesses that fit our strategy and complement our operations. A common factor for success in the acquisitions we make is that the companies all have a similar business model, share our entrepreneurial approach and have the drive and will to continue improving.

PROGRESS ON A CONSTANTLY DEVELOPING MARKET

Our Group vision is to be the leading value adding tech provider. This means being the best at what we choose to do. For our managers, this means constantly improving their operations to identify more business opportunities. Our managers also have to organise the operations so that their co-workers are ready and have the necessary resources and skills to take advantage of opportunities and achieve long-term profitable growth.

We improve our operations by analysing what we do well and less well and take action based on this. This enables us to leverage our success factors and pass them on through the rest of the organisation. To do this, we have developed a set of practical tools. Our core business analysis tool is based on four questions: What are we doing? What is good or bad? Why is it good or bad? What are we doing about the good or bad? The questions may seem simple, but they provide a structure when analysing and developing business operations in order to increase profitability and organic growth.

The Addtech Group has a strong corporate culture and its day-to-day operations are governed by five core values: simplicity, efficiency, change, freedom and responsibility. All our core values have a strong correlation with and are essential to our entrepreneurial spirit. Of course, it is very important that newly acquired businesses gain a good understanding of Addtech's culture, business philosophy and approach to profitability. This takes place through knowledge transfer between staff from Addtech and the new company and via Addtech's Business School.

"With hope of better market conditions we are now focussing on further improving growth within the Group"

REFLECTING ON ACHIEVEMENTS AND LOOKING TO THE FUTURE

Addtech has performed well in terms of earnings and shareholder value since being publicly listed in 2001. This confirms that we have a strong business model, strategy and organisation. We are now focussing even more of our energy on growth to become stronger in our market areas and to keep up our healthy profitability also in the future. This will continue to be combined with active ownership and complementary acquisitions.

If our companies do well, Addtech does well. Together, we will do all we can this year to meet our high expectations for earnings growth, profitability and development. We know that to achieve these goals we need to continue nurturing and developing the entrepreneurial skills of all employees within the Group.

Finally, I would like to thank all our staff for their efforts over the past year. Your enthusiasm is vital for the continued development of the companies and thereby for the Group as a whole. I would also like to thank our companies' customers and suppliers. We will continue to add technical and economical value for your businesses so that we together can create a long-term positive development.

Stockholm, June 2014

Johan Sjö, President and CEO, Addtech AB

VISION, BUSINESS CONCEPT, GOALS AND STRATEGIES

VISION

Addtech shall be the leading value adding tech provider.

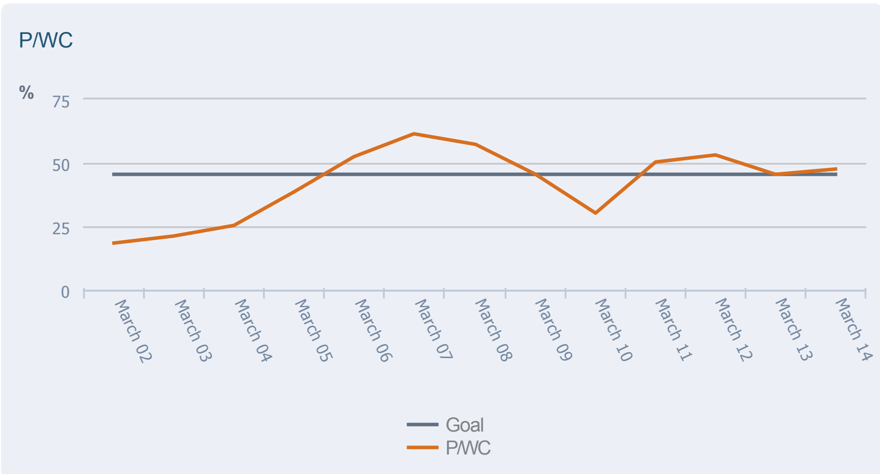
BUSINESS CONCEPT

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.



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:

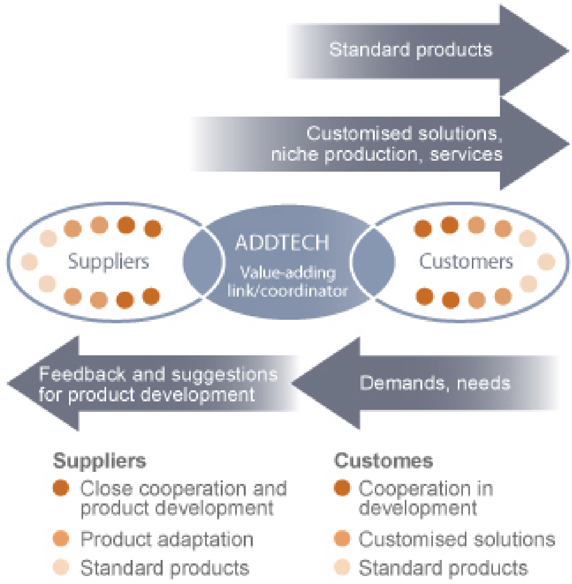
Market-leading positions
Addtech sets out to be the market leader and to build positions in selected and clearly defined niches with a high knowledge and technology content and where customers demand carefully selected products, solutions and subsystems - often in small and medium-sized volumes. The 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.

BUSINESS MODEL

The Addtech Group's business is based on its subsidiaries trading in technology and acting as a link between customers and suppliers. Addtech's customers need a partner that helps them find both the right supplier and the right technology. Customers' products are often technically complex, which means that Addtech needs to have both the technical expertise and an understanding of its customers' business in order to succeed. At the other end of the chain is Addtech's cooperation with suppliers, and the aim is for Addtech's subsidiaries to provide suppliers with the best possible way to sell their products on our markets.



Addtech strive to provide added technical and financial value for customers. This can only happen by customers' products being produced more efficiently or by becoming more competitive. Addtech aims to contribute to both of these elements.

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.

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.

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 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.

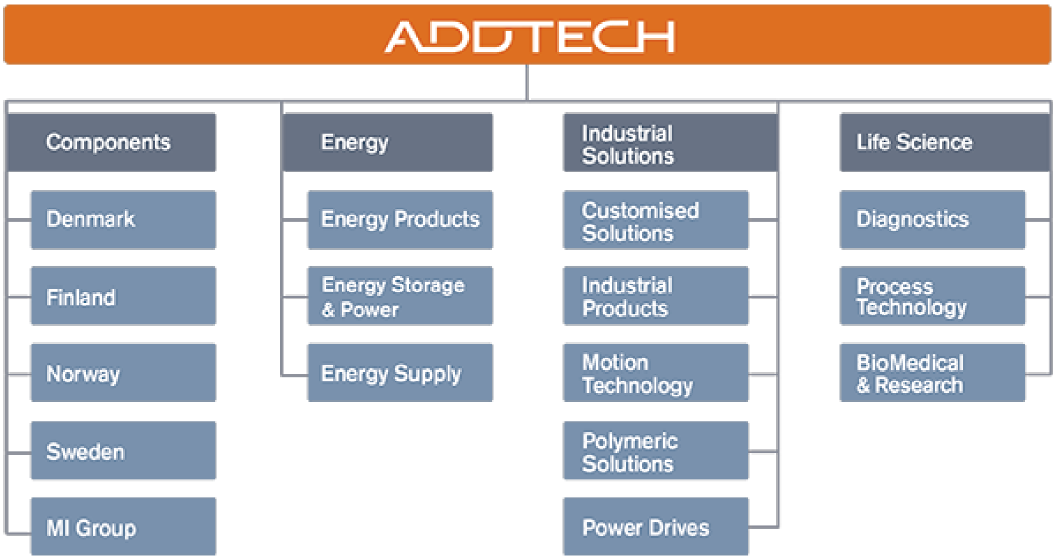
Addtech's focus on infrastructure, the public sector and narrow market niches reduces sensitivity to economic volatility. However, growth and profitability are highly dependent on the state of competition among our customers and their possibilities of performing well domestically and/or globally. Addtech therefore evaluates each of its markets on an ongoing basis to ensure that they offer the Group scope for reaching its financial targets.

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.

More information about Addtech's business areas, units and subsidiaries is available at www.addtech.com/business-areas.

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.

BUSINESS-DRIVEN CORPORATE CULTURE

Addtech has a long established corporate culture and shared core values that serve as a good source of guidance for employees in their work. The corporate culture is rooted in business skills with 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. Freedom with responsibility has always been a key principle within the Group and it is key to employees' ability to work closely with customers and suppliers. The Group's employees are known among customers for their ability to create innovative solutions that meet customers' needs.

Five core values govern the Group's day-to-day work, and freedom and responsibility are two of these. The other three are simplicity, efficiency and change. Simplicity reflects our approach - methodical and focused, while efficiency reflects our emphasis on prioritising the right things at the right time. Change means employees being open to new conditions and challenges in constantly developing markets.

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.

ADDTECH BUSINESS SCHOOL

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. Each year the Business School trains around one hundred employees in the Group's corporate philosophy, business acumen, presentation skills and negotiation techniques. Training within specific areas such as marketing and financial management is also arranged, resulting in employees developing both personally and professionally. This improves the chances of success and improvement in both our companies and the Group as a whole. All employees take the basic Vision & Corporate Philosophy course, which is attended in employees' first year with the Group.

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 work 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 operating 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

- During the year, Addtech followed up on and took action based on the Group's previous employee surveys and further enhanced the procedures and tools available to its companies. The aim is to increase the percentage of employees that have annual performance appraisals to provide them with the good opportunities for professional development. Addtech has also actively encouraged more managers in the Group to use the employee survey as a tool to develop the Group's companies. During the year, the percentage of performance appraisals increased from 57 percent to 61 percent.
- Addtech has continued to improve the tool used by the Group for supplier surveys in order to undertake a large-scale survey in the coming financial year. The overall 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 2013/2014 on www.addtech.com/csr.

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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4.16	Approaches to stakeholder engagement	SR	5-6
4.17	Key topics and concerns raised through stakeholder dialogues and the organisation's response to them	SR	5-6

	Labour Practices and Decent Work Performance Indicators*	Source	Page
	Employees - Employment		
LA1	Total workforce	AR	70
LA2	Rate of employee turnover	SR	9
LA7	Rates of injury and occupational diseases	SR	13
	Employees - Training and education		
LA10	Average hours of training	SR	12
LA12	Percentage of employees receiving regular performance and career development reviews	SR	11-12
	Diversity and equal opportunity		
LA13	Composition of governance bodies based on indicators of diversity	AR	99-102
LA14	Ratio of basic salary of men to women	SR	10

Economic Performance Indicators*

	Economic Performance		
EC1	Economic value generated and distributed	SR	5-6
EC4	Financial assistance received from public sector	SR	5-6

Environmental Performance Indicators*

	Energy		
EN4	Indirect energy consumption by primary source	SR	15-18
	Compliance		
EN28	Compliance with environmental laws and regulations	SR	15-18
	Emissions, Effluence and Waste		
EN29	Environmental impacts of transporting products and other goods and transporting members of the workforce	SR	15-18

Social Performance Indicators*

	Corruption		
S04	Actions taken in response to incidents of corruption	SR	14

Product Responsibility Performance Indicators*

	Compliance		
S04	Compliance with laws and regulations concerning the provision and use of products and services	SR	15

* The outcome of these perfomance indiciators is reported on www.addtech.com/csr

ADMINISTRATION REPORT

1 APRIL 2013 - 31 MARCH 2014

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 2013/2014 financial year.

MARKET TREND DURING THE YEAR

Overall, business conditions for the Group were stable in the first six months of the year, despite relatively volatile underlying demand based on mixed market conditions in terms of geography, customer and product segments. The situation was more positive in the third quarter, but sales were weak due to a number of customers taking a cautious approach to purchasing before the end of the calendar year. Underlying demand was unchanged in the final quarter and the postponed deliveries from the third quarter were carried out as planned. This resulted in the fourth quarter showing very strong organic sales and earnings growth.

Conditions have gradually become more stable over the financial year, although demand for production components from Nordic manufacturers remains hesistant, particularly in the vehicle and engineering industries. This particularly affects the Components and Industrial Solutions business areas, with the Danish and Finnish markets having faced tougher market conditions. The Norwegian market has been performing well and the Swedish market recovered somewhat during the year. The Group's companies operating on markets outside the Nordic region enjoyed very positive development. The Life Science and Energy business areas have seen good demand from segments such as Nordic healthcare and customers in the energy segment. The Group's sales and earnings growth in the financial year came both from organic growth and from acquisitions, as well as from the selective cost-cutting measures carried out which have had a positive earnings effect.

PERFORMANCE BY QUARTER

- **First quarter.** Overall, the business climate in the first quarter was relatively stable, but the mixed market conditions from the previous year remained, with parts of the business performing well while others faced a tougher market. Demand for production components from Nordic manufacturers, particularly in the vehicle and engineering industries, remained cautious in the quarter and mainly affected our Components and Industrial Solutions business areas. The Energy business area continued to enjoy good market conditions, reporting its highest ever sales and earnings in the quarter. The Life Science business area experienced increasing overall demand. As a whole, the Group's sales for comparable units were in line with the relatively strong first quarter of the previous financial year. The Group's sales and earnings growth was due to acquisitions combined with a positive effect from selective cost-saving measures initiated in the previous financial year.
- **Second quarter.** The market situation in the second quarter remained largely unchanged from the first quarter. Net sales for comparable units increased by four percent in the second quarter. Parts of the business experienced good demand, while others faced more difficult conditions. Demand from Nordic manufacturers was worse in the second quarter, and this principally affected the Components business area. The Finnish businesses in particular faced a tougher market climate. Business conditions between the quarters were unchanged for Industrial Solutions, while the businesses outside the Nordic region enjoyed a more positive trend. The healthy demand seen in the first quarter persisted in the second quarter for the Energy business area, and Life Science saw a continued improvement in conditions.

- **Third quarter.** Business conditions were generally more positive and slightly more stable in the third quarter compared with the first six months of the financial year. Despite this, sales did not increase at the same rate due to a number of customers adopting a cautious approach to purchasing before the end of the calendar year. These postponed deliveries, in part to manufacturers and certain customers in the electric power segment, above all affected our Components and Energy business areas. Many of the Group's manufacturing customers took an extended break over Christmas and the New Year, as did our own production units in Industrial Solutions. The Life Science business area continued to develop well. Overall, sales for comparable units fell by 4 percent in the quarter. Overall business conditions improved slightly for the Group's business in Sweden and Denmark. The Norwegian market remained stable at a high level, while the Group's Finland-based businesses, which have manufacturing customers, saw decreased demand. These companies operating on markets outside the Nordics continued to enjoy very positive development.
- **Fourth quarter.** Net sales rose by 15 percent in the final quarter of the year. Comparable units increased by 9 percent and acquisition-based growth totalled 5 percent. Underlying demand was unchanged in the final quarter. The postponed deliveries from the third quarter were carried out as planned. This resulted in the fourth quarter showing very strong organic sales and earnings growth. For the Components and Industrial Solutions business areas, demand remained cautious, mainly from Nordic manufacturing companies in the vehicle and engineering industry segments. The Energy business area experienced high overall business activity in the quarter, especially in the transmission segment. Life Science continued to enjoy good business conditions, although it finished the year slightly weaker than in the previous quarter.

KEY EVENTS DURING THE YEAR

To sum up, the 2013/2014 financial year featured a continued cautious and uneven business climate with major variations between different parts of the business. During the year the Group implemented measures that have affected the cost and working capital situation of the operations that are experiencing a less favourable business climate. We have also deployed resources to strengthen business operations in other parts of the Group. The focus during the year has been on enhancing the various operations and carrying out acquisitions in selected segments and niches. Five companies were acquired in our business areas.

The Group's sales and earnings growth in the financial year had a positive effect on earnings. Combined with our focus on working capital, this has resulted in good cash flow and a strong financial position, providing good future opportunities.

During the financial year the company carried out a share split. The extraordinary shareholders' meeting on 19 November 2013 decided that the number of shares in the company should be increased by splitting each share into three (3) shares. The reason for the split is to increase liquidity in the company's shares, as a large number of shares and a lower price per share helps turnover of the company's shares.

Acquisitions

Addtech is constantly on the lookout for companies to acquire and is engaged in discussions with a number of possible companies. During this financial year Addtech made five acquisitions that came into effect during the year. Eight companies were acquired in the previous year. The year's acquisitions were carried out in all business areas and are diverse both in terms of the markets and products covered.

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 80 companies. The following companies were acquired during the year:

- **The Rutab Group.** 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.
- **Holger Eldfast AB.** On 1 July Holger Eldfast AB was acquired, forming part of the Industrial Solutions business area. Holger Eldfast conducts agency operation in fireproof materials, mainly on the Swedish market. The company has two employees and sales of about SEK 15 million.
- **Vimex AS.** On 6 August Vimex AS was acquired for the Life Science business area. Vimex's business focuses on analysis products for the shipping industry. Vimex has seven employees and sales of NOK 13 million.
- **Sittab AB.** On 1 October Sittab AB was acquired, forming part of the Industrial Solutions business area. Sittab is a niche player delivering ergonomic solutions for drivers' seats, chiefly for construction machines and buses. Sittab has 26 employees and sales of about SEK 65 million.
- **Valnor AS.** On 2 December Valnor AS was acquired for the Components business area. Valnor is a technology trading company providing components in the field of valves for instrumentation and piping installation. Valnor has 12 employees and sales of around NOK 50 million.

The total purchase consideration for the year's five acquisitions was SEK 234 million.

The combined effect of the acquisitions on the Addtech Group's net sales was SEK 225 million, on operating profit SEK 15 million and on profit after tax for the period SEK 9 million. If the acquisitions had taken place at 1 April 2013, they would have had an effect of an estimated SEK 300 million on consolidated net sales, about SEK 22 million on operating profit and about SEK 15 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 87 people as a result of the year's acquisitions.

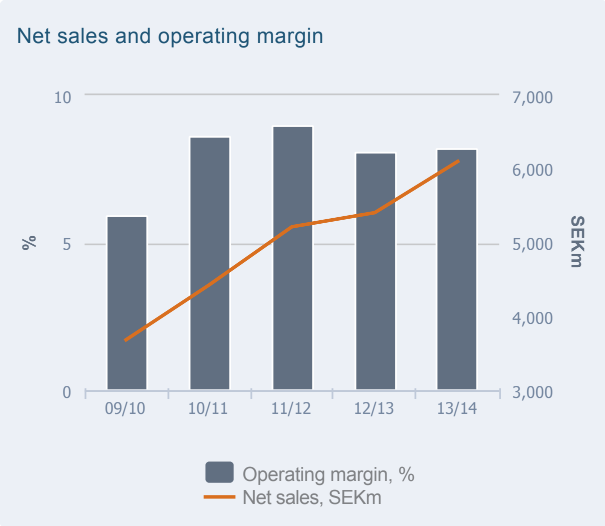
NET SALES, PROFIT AND FINANCIAL POSITION

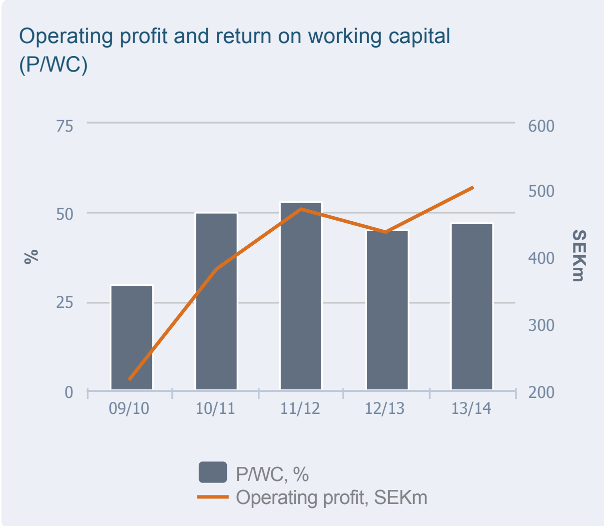
NET SALES AND PROFIT

The Addtech Group's net sales rose by 13 percent during the financial year to SEK 6,089 million (5,403). Comparable units showed an increase of 2 percent and acquisition-based growth was 11 percent. Changes in exchange rates had a marginally negative effect on net sales and operating profit, corresponding to SEK 20 million and SEK 1 million, respectively, for the year.

During the financial year, operating profit rose by 15 percent to SEK 501 million (437) and the operating margin reached 8.2 percent (8.1). The operating margin before amortisation of intangible non-current assets equalled 9.5 percent (9.2). Net financial items were SEK -26 million (-29) and profit after financial items increased by 17 percent to SEK 475 million (408).

Profit after tax for the financial year increased by 14 percent to SEK 369 million (323) and EPS rose to SEK 5.50 (4.85). The effective tax rate was 22 percent (21). Following a revised tax rate in Norway and Finland in 2014, deferred tax fell by a net amount of SEK 4 million. In the previous year deferred tax fell by an equivalent of SEK 25 million as a result of a reduced tax rate in Sweden in 2013. Excluding these changes, the effective tax rate for the financial year would have amounted to 23 percent (27).





Profitability, financial position and cash flow

At the end of the financial year, the return on equity was 30 percent (31) and the return on capital employed was 24 percent (25).

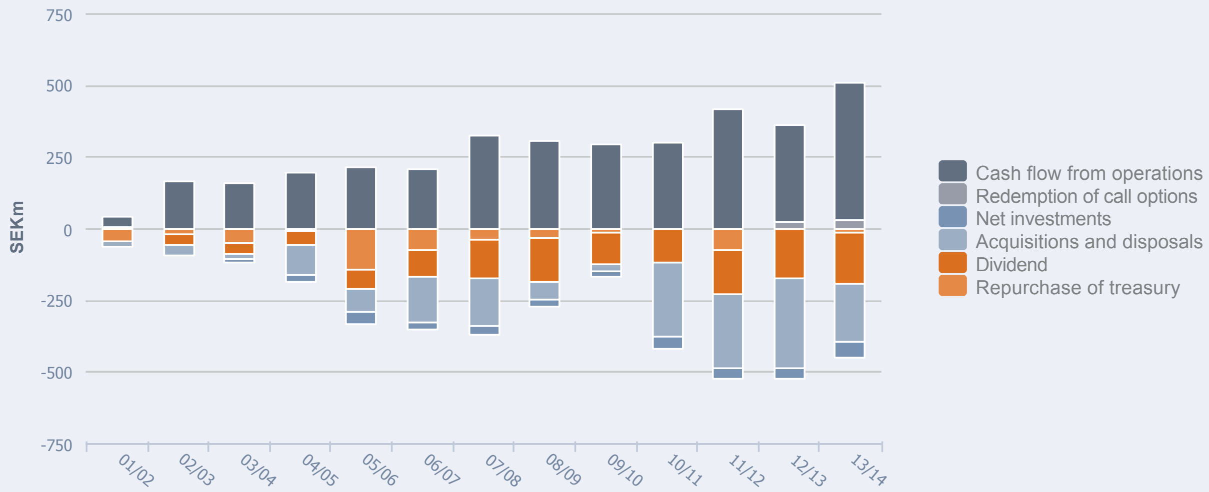
Return on working capital, P/WC (operating profit in relation to working capital), amounted to 47 percent (45). The long-term target for P/WC in the Group and all units is 45 percent. The P/WC profitability ratio encourages high operating profit and low levels of tied-up capital. When combined with the 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 1,075 million (969) at the end of the financial year.

At the end of the financial year the equity ratio stood at 39 percent (36). Equity per share, excluding non-controlling interest, totalled SEK 20.10 (16.70). Consolidated financial net debt at the end of the year stood at SEK 524 million (523), excluding pension liabilities of SEK 252 million (239). The net debt/equity ratio, based on net debt excluding pension provisions, was 0.4 (0.5).

Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, totalled SEK 559 million (668) at 31 March 2014. The Group's available credit facilities totalled SEK 1,028 million (1,132) at 31 March 2014.

Cash flow from operating activities reached SEK 479 million (339) in the financial year. Company acquisitions, including settlement of additional purchase consideration for acquisitions implemented in previous years, totalled SEK 205 million (311). Investments in non-current assets amounted to SEK 58 million (42) and disposals of non-current assets amounted to SEK 4 million (2). The dividend for the year amounted to SEK 176 million (174), the repurchase of treasury shares amounted to SEK 15 million (-) and the exercise and issued call options totalled SEK 30 million (24).

Cash flow



TRENDS AND EARNINGS OF THE BUSINESS AREAS

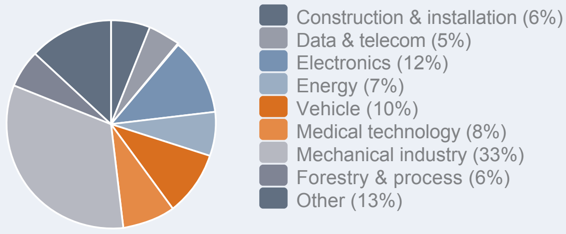
ADDTECH COMPONENTS

Addtech Components' net sales rose by 1 percent to SEK 1,554 million (1,542). Operating profit declined to SEK 96 million (98).

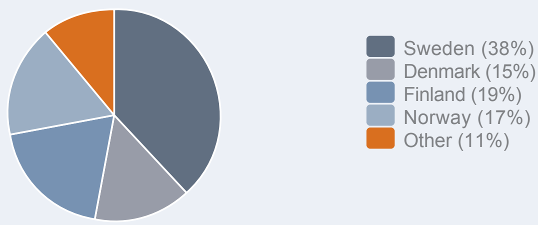
Overall for this business area, demand for production components from Nordic manufacturers has gradually become more stable over the financial year, although variations between different customer segments and geographic regions remain. Customers, particularly those in the vehicle and engineering industry segments and in electronics production, reduced their production rate during the year. Demand has been most positive in customer segments such as energy, oil & gas in Norway and from large machinery manufacturers with sales to markets other than the vehicle and engineering industry segments.

During the year an acquisition, Valnor AS, was carried out for this business area.

Components sales by customer segment



Components sales by geographic market



	Addtech Components	
	2013/2014	2012/2013
Net sales, SEKm	1,554	1,542
Operating profit, SEKm	96	98
Operating margin, %	6.2	6.4
Working capital year average, SEKm	293	298
Return on working capital (P/WC), %	33	33
Average number of employees	429	420

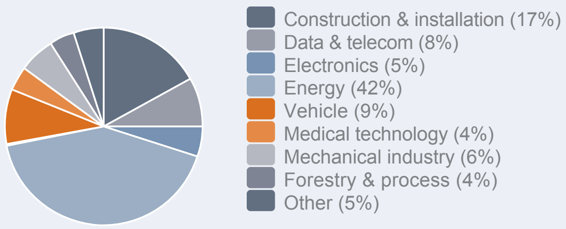
ADDTECH ENERGY

Addtech Energy's net sales totalled SEK 1,975 million (1,576), an increase of 25 percent. Operating profit rose by 31 percent to SEK 200 million (152).

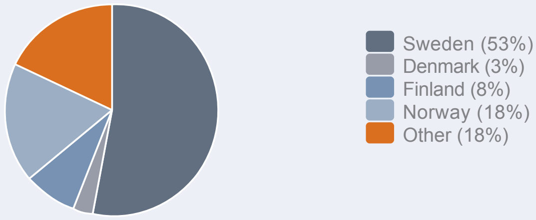
Overall, the business area saw good demand during the year, starting and ending on a solid note, but with a weaker period during the third quarter. Demand was good throughout the year for electric power distribution and transmission products. Following a very high pace of supply in the transmission segment, our customers have announced they will be investing at a slightly lower level, which could impact this business area in the short term. Business conditions for battery solutions on the Nordic market have improved over the year. The electrical installation products market, which was weak for part of the financial year, showed signs of greater willingness to invest in the final quarter of the year.

During the year this business area made one acquisition, Rutab AB.

Energy sales by customer segment



Energy sales by geographic market



	Addtech Energy	
	2013/2014	2012/2013
Net sales, SEKm	1,975	1,576
Operating profit, SEKm	200	152
Operating margin, %	10.1	9.7
Working capital year average, SEKm	331	274
Return on working capital (P/WC), %	61	56
Average number of employees	659	477

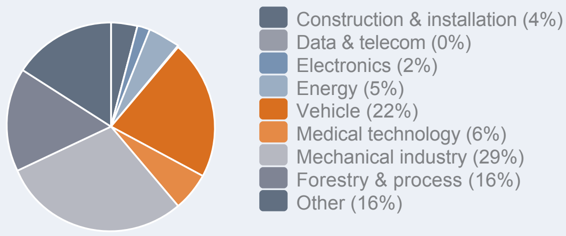
ADDTECH INDUSTRIAL SOLUTIONS

Addtech Industrial Solutions' net sales rose by 2 percent to SEK 1,173 million (1,150). Operating profit amounted to SEK 93 million (93).

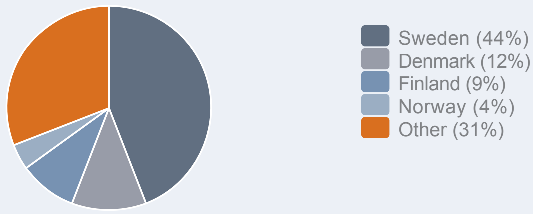
Following a relatively weak third quarter, demand was at a good level in the latest quarter. However, there is still significant variation in conditions for this business area between different geographic markets and product areas. The business climate for products to the specialist vehicle industry has become more positive, but remains weaker in the mining segment. Demand from customers in forestry, paper and pulp has improved in Sweden but it was subdued in other markets. Sales were stable for electric motor solutions, products made of polymeric materials on the Danish market and machinery components and production equipment for industrial after-market customers.

This business area made two acquisitions during the year, Holger Eldfast AB and Sittab AB.

Industrial Solutions sales by customer segment



Industrial Solutions sales by geographic market



	Addtech Industrial Solutions	
	2013/2014	2012/2013
Net sales, SEKm	1,173	1,150
Operating profit, SEKm	93	93
Operating margin, %	7.9	8.1
Working capital year average, SEKm	256	256
Return on working capital (P/WC), %	36	36
Average number of employees	528	524

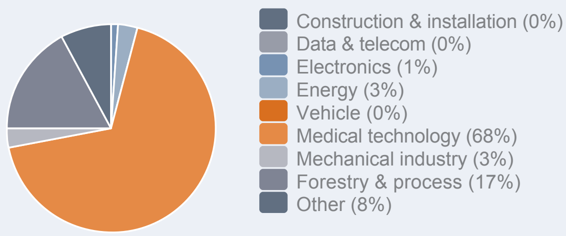
ADDTECH LIFE SCIENCE

Addtech Life Science's net sales were SEK 1,393 million (1,141), a 22 percent increase. Operating profit rose by 16 percent to SEK 125 million (108).

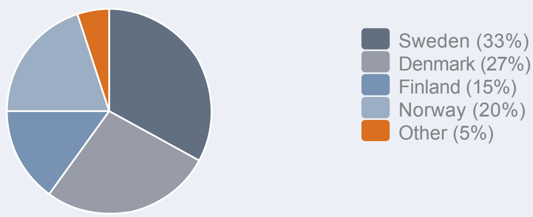
The business area enjoyed good growth in earnings over the financial year, despite a relative weaker result in the fourth quarter. Overall, demand for this business area continued to grow during the final quarter. Demand for diagnostic equipment and reagents for the Nordic healthcare sector was good throughout the financial year. Conditions improved during the year for measuring and analysis instruments for the Nordic process industry, particularly in the marine segment. Demand for equipment and reagents for healthcare and research laboratories over the year was stable.

During the year this business area made one acquisition, Vimex AS.

Life Science sales by customer segment



Life Science sales by geographic market



	Addtech Life Science	
	2013/2014	2012/2013
Net sales, SEKm	1,393	1,141
Operating profit, SEKm	125	108
Operating margin, %	9.0	9.5
Working capital year average, SEKm	201	147
Return on working capital (P/WC), %	62	74
Average number of employees	436	347

RISKS AND UNCERTAINTIES

Addtech uses risk management at both a strategic and operational level. Risk management involves identifying, measuring and preventing risks from occurring, and continually making improvements in order to reduce 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 policies and instructions that give the responsible managers tools with which to identify and follow up the progress of operations and to detect deviations that could become risks. The level of risk is monitored via monthly reports, in which managers describe developments in their respective units. 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.

RISK/DESCRIPTION	MANAGEMENT BY ADDTECH
ECONOMIC FLUCTUATIONS	
Addtech's sales performance depends on demand from customers and their willingness to invest, which in turn are linked to customers' confidence in economic growth. A significant percentage of sales track the performance of the Nordic manufacturing industry. General economic performance and willingness to invest in the medical sector, research and healthcare as well as infrastructure is also of great significance to the Group.	Addtech's focus on niche markets and effort in every order it receives to offer value added means Addtech is less sensitive to fluctuations in specific fields, sectors and geographic regions that experience major economic fluctuations. Addtech takes a systematic approach to developing businesses that are less dependent on the performance of the Nordic manufacturing industry. Addtech's significant sales of technical service, support and consumables to the aftermarket, as well as to healthcare and research laboratories, reduce the risk of fluctuations in the economy in individual industries having a major impact on the Group.
STRUCTURAL CHANGES IN CUSTOMERS' OPERATIONS	
Addtech's customers are exposed to tough competition, which leads to mergers, closures and the relocation of industrial production to low-cost countries. This involves risks as well as opportunities, because a contract manufacturer could choose other suppliers, or new business opportunities could materialise.	Addtech is constantly endeavouring to become more competitive by developing and delivering greater value added for customers. Acquisitions of new companies strengthen and develop the businesses by adding niches that are of interest. Addtech is also building on its Nordic presence, which combined with its financial strength and a broad service and production offering makes Addtech an attractive partner for many global suppliers serving the Nordic market.

RISK/DESCRIPTION	MANAGEMENT BY ADDTECH
GLOBALISATION	
Heightened internationalisation in the past ten years has resulted in the relocation of parts of high-volume production from the Nordic countries and increased competition from low-cost countries.	Addtech's companies have focused on the low- and medium-volume segment as it is in these segments that we can offer customers value added. Production in these segments largely remains in the Nordic countries and Europe. Clear value added and the uniqueness of Addtech's offering to customers help counter competition on price and also provide Addtech with the opportunity to supply customers outside its domestic markets. The Group's exposure to a large number of industries and the fact that no single customer accounts for more than two percent of consolidated sales also reduce the impact of individual companies potentially deciding to relocate abroad.
COMPETITIVE SITUATION	
Change and consolidation among companies in the technology trading industry are constantly altering the competitive situation. Economy of scale can lead to pricing pressure, while rapid technological change can undermine our offering.	Addtech's strategy aims to achieve market-leading positions in specific niches by offering products and services for which price is not the sole deciding factor. To keep up with technological developments, our companies need to be innovative and participate in these developments. Working closely with both suppliers and customers develops our expertise and we remain a competitive player on our markets.
ENVIRONMENT	
The Addtech Group's companies are primarily involved in technology trading, so our operations have a limited direct environmental impact. Active environmental efforts are made in the Group with the aim of reducing the Group's impact on the environment. 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. Despite this, under the relevant environmental legislation there is always a risk that, through its corporate identification number, one of the Group's subsidiaries could be associated with a liability for historical environmental pollution.	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 fourth sustainability report. The Group's Code of Conduct includes all important issues in the environment, human rights, labour conditions, and corruption. In the Group, 47 companies (45) 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 6 (7) percent of consolidated net sales. When making acquisitions, Addtech conducts an analysis of the company's corporate identification number to mitigate the risk of being deemed liable for historical pollution.

RISK/DESCRIPTION	MANAGEMENT BY ADDTECH
EMPLOYEES	
Employees are Addtech's main resource and most important means of being a competitive business. Our employees are business professionals with high technological expertise. Understanding customers' businesses is crucial and is the key to in-depth and close cooperation. Addtech's employee risks mainly involve the possibility of losing key members of staff and a lack of technically skilled and innovative business people. In addition, a lack of skilled managers can hinder the development of the business.	Addtech's companies should be attractive employers that both develop capable employees and attract new employees. Employees should have good opportunities for personal development and Addtech takes a long-term approach on several levels aimed at increasing internal knowledge transfer, furthering the growth of employees and refining the corporate culture. Addtech Business School is key to developing Group employees, building common values and ensuring the supply of management staff. All employees undergo one or more stages in the business school, which constitutes a key platform from which to convey corporate culture, enhance business acumen and raise the degree of professionalism among employees. The Group conducts regular employee surveys. The purpose of these surveys 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.
ACQUISITIONS	
Addtech's objective is to achieve long-term earnings growth of at least 15 percent a year. To achieve this we require a combination of organic growth and acquisitions. 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 to realise than expected. This means the Group runs the risk of paying too high a price for the results that the company will deliver.	To ensure the success of our acquisitions, Addtech has well-established processes and structures for pricing and implementing the deals and integrating acquired companies into the Group effectively.

RISK/DESCRIPTION	MANAGEMENT BY ADDTECH
GOODWILL	
Goodwill arises when Addtech acquires businesses that are valued above the carrying amount. Goodwill is tested annually and if the 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.	Acquired goodwill is tested annually for impairment in accordance with accounting rules on acquired goodwill. Goodwill testing takes place for each business unit.
FINANCIAL RISKS	
Various financial risks arise in the business operations, such as transaction exposures and currency translation exposure, as well as credit risk relating to customers. In addition, the overall Group is affected by financial risks such as financing risk, interest rate risk and credit and counterparty risk.	Addtech strives for structured and efficient management of the financial risks that arise in operations, in accordance with the financial policy adopted by the Board of Directors. 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.

EMPLOYEES AND DEVELOPMENT

EMPLOYEES

At the end of the period, the number of employees was 2,150, compared to 2,011 at the beginning of the financial year. The year's acquisitions increased the number of employees by 87 (300). In addition, temporary hirings in production operations have increased the number of employees by 53. The average number of employees in the latest 12-month period was 2,100 (1,815).

	2013/2014	2012/2013	2011/2012
Average number of employees	2,100	1,815	1,612
proportion of men	75%	74%	72%
proportion of women	25%	26%	28%
Age distribution			
-up to 29 years old	11%	9%	7%
30-49 years	55%	58%	60%
50 and older	34%	34%	33%
Average age	45 years	45 years	45 years
Personnel turnover (adjusted as a result of programmes of measures and disposals)	11%	10%	10%
Average length of employment	about 10 years	about 10 years	about 11 years

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 2014 approve 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 48 million (45) and profit after financial items was SEK 211 million (243). Income from interests in Group companies is included and totals SEK 203 million (234). Net investments in non-current assets amounted to SEK 5 million (0). At the end of the financial year the Parent Company's financial net debt stood at SEK 40 million (44).

SHARE CAPITAL, REPURCHASE OF TREASURY SHARES, INCENTIVE PROGRAMMES AND DIVIDEND

At 31 March 2014, Parent Company share capital stood at SEK 51,148,872, distributed over the following number of shares with a quotient value of SEK 0.75 per share.

Share class	Number of shares	Number of votes	Percentage of capital	Percentage of votes
A 10 votes	3,253,800	32,538,000	4.8	33.4
B 1 vote	64,944,696	64,944,696	95.2	66.6
TOTAL	**68,198,496**	**97,482,696**	**100.0**	**100.0**

The Extraordinary General Meeting of the shareholders in Addtech AB on 19 November 2013 decided to carry out a split in the number of shares in the company by splitting each share into three (3) shares. The number of shares in the company increased to 68,198,496, of which 3,253,800 are Class A shares and 64,944,696 are Class B shares. The split was carried out on 13 December 2013. The share split also resulted in each outstanding call option entitling holders to three Class B shares.

The total number of shareholders on 31 March 2014 was 3,557 (3,379). Two shareholders each control 10 percent or more of the votes: Anders Börjesson (with family interests) owns shares corresponding to 15.4 percent of the votes and Tom Hedelius 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 in terms of contractual credit facilities of SEK 300 million and overdraft facilities of 500 SEK million can be terminated.

REPURCHASE OF TREASURY SHARES AND INCENTIVE PROGRAMMES

The Annual General Meeting in August 2013 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 2014.

152,700 treasury shares were repurchased during the financial year. At 31 March 2014, Addtech's holding of treasury shares was 2,063,400 Class B shares, with an average purchase price of SEK 45.60. These shares correspond to 3.0 percent of the number of shares issued and 2.1 percent of the votes. Of the shares repurchased, 2,063,400 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 2,195,148 (2,804,404).

The Board of Directors will recommend that the Annual General Meeting in August 2014 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 2013 AGM, 25 members of management were offered the opportunity to acquire 180,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of B shares outstanding will increase by 540,000, equivalent to 0.8 percent of the total number of shares and 0.6 percent of the votes. The call options were transferred at a price of SEK 21.20 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price per share attributable to the share-based incentive programme for 2013 is SEK 106.13; the redemption period is 19 September 2016 until 2 June 2017.

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 600,000, 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 per share attributable to the share-based incentive programme for 2012 is SEK 71.50; 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 600,000, equivalent to 0.9 percent of the total number of shares outstanding and 0.6 percent of the votes. The redemption price per share attributable to the share-based incentive programme for 2011 is SEK 59.80; the redemption period is 15 September 2014 until 29 May 2015.

The redemption price per share attributable to the share-based incentive programme for 2010 is SEK 54.90; the redemption period is 16 September 2013 until 30 May 2014. Between 16 September 2013 and 31 March 2014, 113,900 options out of a total of 221,700 were redeemed to shares. The remaining 107,800 have been redeemed since the end of the financial year.

The Board has decided to propose that the Annual General Meeting in August 2014 approve an incentive programme according to the same, or an essentially similar, model as decided at the 2009-2013 AGMs.

DIVIDEND

The Board of Directors proposes a dividend of SEK 3.00 (2.67) per share. The total dividend amounts to SEK 199 million (176). Addtech's dividend policy is based on a target of paying as a dividend more than 50 percent of average Group profit after tax over a business cycle. The proposed dividend represents a pay-out ratio of 55 percent (55).

FUTURE PROSPECTS AND EVENTS AFTER THE REPORTING PERIOD

FUTURE PROSPECTS

Business conditions have gradually become more stable over the financial year, although demand for production components from Nordic manufacturers remains cautious. We generally expect a more modest growth rate in the coming year as recovery is progressing slowly in a number of areas of the industry. The market remains mixed, with variations between our various niches and between different geographic markets and customer segments. In the hope of somewhat better market conditions we are now focussing on further improving growth in the Group. We need to raise the bar and be even better at enhancing what we are already good at.

During the year, the Group has conducted activities to adjust the cost and working capital situation in some of its operations, and we have also deployed additional resources in other companies. These measures have resulted in strong cash flow, which combined with a strong financial position offers good 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

Three companies have been acquired after the reporting period:

On 1 April GigaCom AB and GigaCom AS were acquired, becoming part of the Addtech Components business area. The GigaCom companies are technology trading companies supplying fibre-optic components and systems on the Swedish and Norwegian markets. The companies have six employees and sales of around SEK 30 million.

On 5 May Solar Supply Sweden AB was acquired for the Addtech Energy business area. Solar Supply is a technology trading company marketing and installing solar PV systems and related components on the Swedish market. Solar Supply has three employees and sales of about SEK 15 million.

On 17 June an agreement was signed to acquire 90 percent of shares outstanding in Hans Følsgaard A/S to become part of business areas Addtech Components and Addtech Energy. Hans Følsgaard is a technology trading company that delivers components and systems to OEM customers and larger end users within the manufacturing industry and also products within infrastructure and power transmissions to e.g. electric producers and wind power manufacturers. Hans Følsgaard has 65 employees and sales of about DKK 300 million. The closing is estimated to take place in the beginning of July 2014.

PROPOSED ALLOCATION OF EARNINGS

See "Financial Statements" for details.

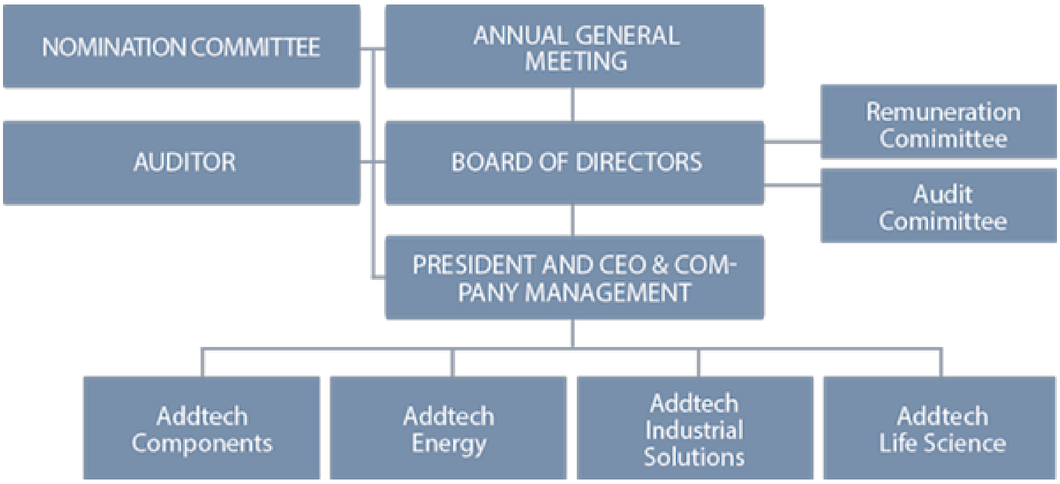
CORPORATE GOVERNANCE

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 policy, reporting 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.

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 25 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 2013 Annual General Meeting elected KPMG to serve as the Company's auditor until the close of the 2014 Annual General Meeting. George Pettersson is the Auditor in charge, assisted by Jonas Eriksson. KPMG audits Addtech AB and practically all its subsidiaries.

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 million during the 2013/2014 financial year and SEK 1.5 million during the preceding year.

Quarterly review by auditors

Addtech's six-month or nine-month reports were not reviewed by Addtech's external auditors during the 2013/2014 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 Börjesson (with family interests) and Tom Hedelius 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. The number of shares is 68,198,496, of which 3,253,800 are Class A shares, entitling holders to 10 votes per share, and 64,944,696 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 Extraordinary General Meeting on 19 November 2013 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 2013 Annual General Meeting

Shareholders representing 54.4 percent of the share capital and 66.3 percent of the votes took part in the AGM on 28 August 2013. Anders Börjesson was elected Chairman of the meeting. The meeting's decisions included approving a dividend of SEK 2.67 per share and a share-based incentive programme. Johan Sjö, the Company's President and CEO, commented on the Group's operations, the 2012/2013 financial year, developments during the first quarter of the new financial year and the Group's outlook for the future.

Board members Anders Börjesson, Eva Elmstedt, Tom Hedelius, Ulf Mattsson, Johan Sjö and Lars Spongberg were re-elected. Anders Börjesson 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 2010, 2011, 2012 and 2013. 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 28 August 2013 granted to the Board to repurchase shares in the Company.

The 2013 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 2014 AGM is available in the Shareholder information section of the annual report and on the Company's website.

2013 Extraordinary General Meeting

Shareholders representing 52.9 percent of the share capital and 64.4 percent of the votes took part in the Extraordinary General Meeting (EGM) on 19 November 2013. Anders Börjesson was elected Chairman of the meeting.

In accordance with the Board proposal, the EGM decided to carry out a split in the number of shares in order to achieve an appropriate number of shares in order to increase liquidity in the company's shares. The share split resulted in the number of shares in the company increasing through each share being split into three (3) shares. Following the split, the number of shares amounted to 68,198,496, of which 3,253,800 are Class A shares and 64,944,696 are Class B shares and each share has a quotient value of SEK 0.75. The Board was authorised to decide on the record date for the split and to take other necessary measures to carry out the share split.

The wording in the Articles of Association was changed to the following: "The number of shares shall be no less than sixty million (60,000,000) and no more than two hundred and forty million (240,000,000)."

The EGM was held in Swedish and no simultaneous interpreting into another language was deemed necessary in view of the composition of the company's ownership. All material referred to by the meeting was made available in both Swedish and English. In view of the composition of the company's ownership, the minutes of the meeting are only available in Swedish.

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 Börjesson (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 250,000. The Chairman receives SEK 500,000 and the Vice Chairman receives SEK 380,000. Total Board fees amount to SEK 1,630,000, 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 nine meetings during the financial year, of which four preceded the 2013 AGM and five 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		9	1	1		
Anders Börjesson (Chairman of the Board)	2001	9	1	1	Yes	No
Eva Elmstedt	2005	9		1	Yes	Yes
Tom Hedelius (Vice Chairman of the Board)	2001	9	1	1	Yes	No
Ulf Mattsson	2012	9		1	Yes	Yes
Johan Sjö	2008	9			No	Yes
Lars Spongberg	2001	8		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 Börjesson (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 Börjesson, 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 2012/2013 annual accounts at the May 2013 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 2014 for the 2013/2014 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, Åke Darfeldt, Håkan Franzen and Kristina Willgård. 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/Tobago, Turkey and the US. 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 80 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 2012 authorised the Board Chairman to establish a nomination committee for the 2013 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 2012, 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 2013, 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 2014 and its tasks.

The committee had two meetings at which minutes were taken prior to the 2013 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 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 Börjesson 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 11 February 2014.

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	2013/2014	2012/2013
Net sales	4, 5	6,089	5,403
Cost of sales		-4,106	-3,639
GROSS PROFIT		**1,983**	**1,764**
Selling expenses		-1,136	-1,001
Administrative expenses		-358	-339
Other operating income	9	28	21
Other operating expenses	9	-16	-8
OPERATING PROFIT	**3-10,16**	**501**	**437**
Finance income	11	2	4
Finance costs	11	-28	-33
NET FINANCIAL ITEMS		**-26**	**-29**
PROFIT BEFORE TAX		**475**	**408**
Income tax expense	13	-106	-85
PROFIT FOR THE YEAR		**369**	**323**
Attributable to:			
Equity holders of the Parent Company		363	318
Non-controlling interests		6	5
Earnings per share (EPS), (SEK)	30	5.50	4.85
Diluted EPS (SEK)	30	5.45	4.85
Average number of shares after repurchases ('000s)		66,003	65,394
Number of shares at end of period after repurchases ('000s)		66,135	65,764

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2013/2014	2012/2013
Profit for the year	369	323
Components that will be reclassified to profit of the year		
Cash flow hedges	0	0
Foreign currency translation differences for the period	31	-49
Tax attributable to items that can later be reversed in profit or loss	0	0
Components that will not be reclassified to profit of the year		
Revaluations of defined benefit pension plans	0	12
Tax attributable to items not to be reversed in profit or loss	0	-3
OTHER COMPREHENSIVE INCOME	**31**	**-40**
COMPREHENSIVE INCOME FOR THE YEAR	**400**	**283**
Attributable to:		
Equity holders of the Parent Company	394	279
Non-controlling interests	6	4

CONSOLIDATED BALANCE SHEET

SEKm	Notes	2014-03-31	2013-03-31
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1,343	1,192
Property, plant and equipment	15	187	166
Financial assets	17	13	10
Non-current receivables	17	4	4
Deferred tax assets	13	3	0
TOTAL NON-CURRENT ASSETS		**1,550**	**1,372**
CURRENT ASSETS			
Inventories	18	709	675
Tax assets		58	33
Accounts receivable	3	963	793
Prepaid expenses and accrued income	19	58	67
Other receivables		58	50
Cash and cash equivalents		69	72
TOTAL CURRENT ASSETS		**1,915**	**1,690**
TOTAL ASSETS		**3,465**	**3,062**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	**20**		
Share capital		51	51
Other contributed capital		344	344
Reserves		-44	-68
Retained earnings, including profit for the year		979	770
Equity attributable to equity holders of the Parent Company		**1,330**	**1,097**
Non-controlling interests		19	16
TOTAL SHAREHOLDERS' EQUITY		**1,349**	**1,113**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	24	14	11
Provisions for pensions	22	252	239
Deferred tax liabilities	13	214	187
Total non-current liabilities		**480**	**437**
CURRENT LIABILITIES			
Current interest-bearing liabilities	25	580	586
Accounts payable		556	480
Tax liabilities		38	33
Other liabilities		170	153
Accrued expenses and deferred income	26	285	251
Provisions	23	7	9
Total current liabilities		**1,636**	**1,512**
TOTAL LIABILITIES		**2,116**	**1,949**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,465**	**3,062**

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

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Notes	2013/2014	2012/2013
OPERATING ACTIVITIES			
Profit after financial items		475	408
Adjustment for items not included in cash flow	28	110	101
Income tax paid		-121	-166
Cash flow from operating activities before changes in working capital		464	343
Cash flow from changes in working capital			
Changes in inventories		26	20
Changes in operating receivables		-76	49
Changes in operating liabilities		65	-73
CASH FLOW FROM OPERATING ACTIVITIES		**479**	**339**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-51	-35
Disposal of property, plant and equipment		4	2
Acquisition of intangible non-current assets		-7	-7
Acquisition of operations, net liquidity effect	28	-205	-311
CASH FLOW FROM INVESTING ACTIVITIES		**-259**	**-351**
FINANCING ACTIVITIES			
Repurchase of treasury shares		-15	–
Exercised and issued call options		30	24
Borrowings		110	310
Repayments on loans		-169	-110
Other financing		-6	-1
Dividend paid to equity holders of the Parent Company		-176	-174
Dividend paid to non-controlling interests		-3	-4
CASH FLOW FROM FINANCING ACTIVITIES		**-229**	**45**
CASH FLOW FOR THE YEAR		**-9**	**33**
Cash and cash equivalents at beginning of year		72	50
Exchange differences on cash and cash equivalents		6	-11
CASH AND CASH EQUIVALENTS AT YEAR-END		**69**	**72**

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 13	**51**	**344**	**-68**	**770**	**1,097**	**16**	**1,113**
PROFIT FOR THE YEAR	**–**	**–**	**–**	**363**	**363**	**6**	**369**
Cash flow hedges	–	–	0	–	0	–	0
Foreign currency translation differences for the period	–	–	24	7	31	0	31
Actuarial effects of the pension obligation	–	–	–	0	0	–	0
Tax attributable to other comprehensive income	–	–	0	0	0	–	0
OTHER COMPREHENSIVE INCOME	**–**	**–**	**24**	**7**	**31**	**0**	**31**
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**24**	**370**	**394**	**6**	**400**
Call options issued	–	–	–	4	4	–	4
Call options exercised	–	–	–	26	26	–	26
Repurchase of treasury shares	–	–	–	-15	-15	–	-15
Dividend	–	–	–	-176	-176	-3	-179
Change in non-controlling interests	–	–	–	–	–	–	–
EQUITY, CLOSING BALANCE							
31 MAR 14	**51**	**344**	**-44**	**979**	**1,330**	**19**	**1,349**

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**
Revision of accounting policy IAS 19	–	–	–	-34	-34	–	-34
ADJUSTED EQUITY, OPENING BALANCE							
1 APR 12	**51**	**344**	**-20**	**595**	**970**	**13**	**983**
PROFIT FOR THE YEAR	**–**	**–**	**–**	**318**	**318**	**5**	**323**
Cash flow hedges	–	–	0	–	0	–	0
Foreign currency translation differences for the period	–	–	-48	–	-48	-1	-49
Actuarial effects of the pension obligation	–	–	–	12	12	–	12
Tax attributable to other comprehensive income	–	–	0	-3	-3	–	-3
OTHER COMPREHENSIVE INCOME	**–**	**–**	**-48**	**9**	**-39**	**-1**	**-40**
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**-48**	**327**	**279**	**4**	**283**
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**	**770**	**1,097**	**16**	**1,113**

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

SEK	2013/2014	2012/2013
Dividend per share	3.00 [1]	2.67

[1] As proposed by the Board of Directors.

PARENT COMPANY INCOME STATEMENT

SEKm	Notes	2013/2014	2012/2013
Net sales		48	45
Administrative expenses		-52	-50
OPERATING PROFIT/LOSS	**6–9, 16**	**-4**	**-5**
Profit from interests in Group companies	11	203	234
Profit from non-current financial assets	11	33	35
Interest income and similar items	11	8	6
Interest expense and similar items	11	-29	-27
PROFIT AFTER FINANCIAL ITEMS		**211**	**243**
Year-end appropriations	12	-10	-25
PROFIT BEFORE TAX		**201**	**218**
Income tax expense	13	-44	-53
PROFIT FOR THE YEAR		**157**	**165**
Other comprehensive income		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**157**	**165**

PARENT COMPANY BALANCE SHEET

SEKm	Notes	2014-03-31	2013-03-31
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	0	1
Property, plant and equipment	15	5	0
Non-current financial assets			
Interests in Group companies	17	1,151	1,151
Receivables from Group companies	17	1,217	1,174
Total non-current financial assets		**2,368**	**2,325**
TOTAL NON-CURRENT ASSETS		**2,373**	**2,326**
CURRENT ASSETS			
Receivables from Group companies		308	299
Tax assets		8	–
Other receivables		1	3
Prepaid expenses and accrued income	19	8	5
Total current receivables		**325**	**307**
Cash and bank balances		–	1
TOTAL CURRENT ASSETS		**325**	**308**
TOTAL ASSETS		**2,698**	**2,634**
EQUITY AND LIABILITIES	20		
SHAREHOLDERS’ EQUITY			
Restricted equity			
Share capital		51	51
Legal reserve		18	18
Unrestricted equity			
Retained earnings		746	742
Profit for the year		157	165
TOTAL SHAREHOLDERS’ EQUITY		**972**	**976**
UNTAXED RESERVES	21	337	327
PROVISIONS			
Provisions for pensions and similar obligations	22	17	17
LIABILITIES			
Liabilities to Group companies	24	459	354
Total non-current liabilities		**459**	**354**
Liabilities to credit institutions	25	511	504
Accounts payable		2	2
Liabilities to Group companies		384	434
Tax liabilities		–	4
Other liabilities		3	3
Accrued expenses and deferred income	26	13	13
Total current liabilities		**913**	**960**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**2,698**	**2,634**
Pledged assets	27	–	–
Contingent liabilities	27	155	144

PARENT COMPANY CASH FLOW STATEMENT

SEKm	Notes	2013/2014	2012/2013
OPERATING ACTIVITIES			
Profit after financial items		211	243
Adjustment for items not included in cash flow	28	-194	-215
Income tax paid		-56	-69
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-39**	**-41**
Cash flow from changes in working capital			
Changes in operating receivables		-2	-1
Changes in operating liabilities		2	3
CASH FLOW FROM OPERATING ACTIVITIES		**-39**	**-39**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible non-current assets		-5	0
CASH FLOW FROM INVESTING ACTIVITIES		**-5**	**0**
FINANCING ACTIVITIES			
Repurchase of treasury shares		-15	-
Exercised and issued call options		30	24
Change in loans		7	219
Change in receivables from and liabilities to Group companies		-17	-239
Dividend paid		-176	-174
Group contributions received		214	210
CASH FLOW FROM FINANCING ACTIVITIES		**43**	**40**
CASH FLOW FOR THE YEAR		-1	1
Cash and cash equivalents at beginning of year		1	0
CASH AND CASH EQUIVALENTS AT YEAR-END		**0**	**1**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEKm	Restricted equity Share capital	Restricted equity Legal reserve	Unrestricted equity Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE 1 APR 13	**51**	**18**	**907**	**976**
Profit for the year	–	–	157	157
Other comprehensive income	–	–	–	–
COMPREHENSIVE INCOME FOR THE YEAR	**–**	**–**	**157**	**157**
Dividend	–	–	-176	-176
Call options issued	–	–	4	4
Call options exercised	–	–	26	26
Repurchase of treasury shares	–	–	-15	-15
EQUITY, CLOSING BALANCE 31 MAR 14	**51**	**18**	**903**	**972**

SEKm	Restricted equity Share capital	Restricted equity Legal reserve	Unrestricted equity 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**

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 2014. The Parent Company's and Group's respective income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 27 August 2014.

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 2013/2014 financial year

Addtech has opted for early application of amended IAS 36 Impairment of Assets. Early application means that the requirement regarding disclosure of the recoverable amount in annual impairment testing of goodwill has been removed.

No other new IFRS standards or IFRIC statements have been applied ahead of time.

New or revised IFRSs applied during the 2013/2014 financial year

The revision of IAS 1 Presentation of Financial Statements is being applied from 1 April 2013 and means that other comprehensive income is divided into items that can be reversed in the income statement and items that cannot be reversed in the income statement.

In addition, 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. Actuarial gains and losses will be recognised in other comprehensive income. The estimated return on plan assets will be based on the discount rate used to calculate the pension obligation. The difference between actual and estimated return on plan assets are recognised in other comprehensive income. The standard also contains new rules regarding the recognition of special employer's contribution. This standard is applied retrospectively, which involves the restatement of the comparative figures in the balance sheet. In addition, historical key performance indicators affected by such retrospective application have been restated. The pension liability at 31 March 2012 has increased by SEK 49 million, including a special employer's contribution of SEK 11 million, and shareholders' equity has decreased by a net amount of SEK 33 million. The pension liability at 31 March 2013 has increased by SEK 38 million, including special employer's contribution of SEK 13 million, and shareholders' equity has decreased by a net amount of SEK 25 million, of which SEK 9 million is via comprehensive income. The effect on the income statements is deemed to be immaterial and no restatement has therefore been made.

As of 1 April 2013, the new IFRS 13 Fair Value Measurement and amendments to IFRS 7 Financial Instruments: Disclosures, will be applied. The changes involve the addition of further disclosures.

There are no new IFRSs or IFRICs that have a material effect on the Group's or Parent Company's financial statements, besides the abovementioned standards.

New or revised IFRSs that will be applied during periods ahead

No new or revised IFRSs or IFRICs that come into force during the coming 2014/2015 financial year or later are judged to have any material effect on Addtech's financial statements.

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. An accumulated gain/loss from the disposal of an asset previously recognised in other comprehensive income is recognised in profit for the year.

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 and currency swaps used to cover the risk of foreign exchange rate fluctuations. 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.

Hedge accounting is not applied to currency forward contracts and swaps. Increases and decreases in the value of such derivatives 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 for currency clauses, 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, it is another 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 an 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

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

Shareholders' equity

Addtech's dividend policy involves a pay-out 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. 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 pay-outs 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 mortgage 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.

Revaluations 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 (known as experienced-based adjustments), or because assumptions were changed. Such revaluations are recognised in the balance sheet and in profit or loss under other comprehensive income. The net present value of the defined benefit obligation is established by means of discounting estimated future cash flows. 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.

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.

The special employer's contribution constitutes part of the actuarial assumptions and is therefore recognised as part of the net obligation/asset. To make it simpler, the part of the special employer's contribution that is calculated based on the Swedish Act on Safeguarding Pension Obligations in legal entities is recognised as an accrued expense instead of as part of the net obligation/asset.

Policyholder tax is recognised on an ongoing basis for the period to which the tax relates and is therefore not included in the calculation of liabilities. In the case of funded plans, the tax is on the return on plan assets and is recognised in other comprehensive income. For unfunded or partially unfunded plans, the tax is levied on profit for the year.

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 EXPENSES

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.

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.

Group contributions are recognised in the Parent Company in accordance with the main principle. A Group contribution received from a subsidiary is recognised in the Parent Company as financial income, while a Group contribution paid from a Parent Company to a subsidiary is recognised as an increase in interests in a subsidiary. 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 2013/2014		Currency flows, net	
SEKm	Inflows	Outflows	2013/2014	2012/2013
EUR	999	1,695	-696	-526
USD	281	516	-235	-144
JPY	58	90	-32	-58
GBP	18	69	-51	-33
CHF	4	102	-98	-86

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 14 percent and sales in the purchasing currency make up about 31 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 gross amount of SEK 190 million, of which EUR equalled SEK 88 million, JPY SEK 4 million and USD SEK 94 million. Out of the total contracts, SEK 177 million matures within six months and SEK 13 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 27 million (17), 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:

Net investments	31 Mar 14 SEKm	31 Mar 14 Sensitivity analysis [1]	31 Mar 13 SEKm	31 Mar 13 Sensitivity analysis [2]
NOK	531.5	26.6	469.8	23.5
EUR	325.2	16.3	295.7	14.8
DKK	211.6	10.6	188.4	9.4
PLZ	50.1	2.5	32.1	1.6
TTD	19.7	1.0	15.7	0.8
GBP	16.7	0.8	9.3	0.5
HKD	10.7	0.5	7.1	0.4

[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 +/- 28 million (27) 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	2013/2014	2012/2013	31 Mar 14	31 Mar 13
CHF 1	7.11	7.12	7.34	6.85
CNY 100	106.62	106.50	104.35	104.97
DKK 100	117.17	115.64	119.86	112.07
EUR 1	8.74	8.62	8.95	8.36
GBP 1	10.36	10.58	10.80	9.88
HKD 1	0.84	0.86	0.84	0.84
JPY 1000	65.10	81.30	62.80	69.10
LTL 1	2.53	2.50	2.59	2.42
LVL 1	–	12.17	–	11.91
NOK 100	108.92	115.86	108.40	111.23
PLZ 1	2.08	2.07	2.14	2.00
TRY 1	3.26	3.61	3.01	3.60
TTD 1	1.03	1.02	1.03	1.03
TWD 1	0.22	0.23	0.21	0.22
USD 1	6.52	6.70	6.49	6.53

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 2014 there were current investments of SEK 0.4 million (0.4). 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 2014, the Group's bank overdraft facilities amounted to SEK 701 million (807) and contractual credit facilities to SEK 327 million (325). During the year the overdraft facility decreased by SEK 106 million and agreed credit commitments increased by SEK 2 million. At 31 March 2014, the Group had utilised SEK 461 million of the bank overdraft facilities and SEK 77 million of the credit commitments. Unutilised bank overdraft facilities and credit facilities amounted to SEK 559 million. SEK 300 million of contractually binding credit facilities and SEK 500 million of overdraft 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 and outstanding external loans. The interest rate at 31 March 2014 was variable, that is, 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 594 million (596).

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 2013/2014 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 (2) of total credit exposure during a one-year period. The equivalent figure for the ten largest customers is about 11 percent (12). Exposure per customer segment and geographic market is presented in Note 5. Bad debt losses totalled SEK 2.8 million (3.2) during the year, equal to 0.0 percent (0.1) of net sales.

Accounts receivable, SEKm	31 Mar 14	31 Mar 13
Carrying amount	963.0	793.2
Impairment losses	3.4	4.1
COST	**966.4**	**797.3**

Change in impaired accounts receivable	2013/2014	2012/2013
Amount at start of year	-4.1	-4.4
Corporate acquisitions	0.0	-0.1
Year’s impairment losses/reversals	-0.4	-0.5
Settled impairment losses	1.2	0.7
Translation effects	-0.1	0.2
TOTAL	**-3.4**	**-4.1**

Time analysis of accounts receivable that are overdue but not impaired	31 Mar 14	31 Mar 13
< = 30 days	86.2	106.3
31–60 days	15.2	12.8
> 60 days	10.1	6.6
TOTAL	**111.5**	**125.7**

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, currency swaps and embedded derivatives is determined based on observed market data (level 2). As regards contingent considerations, a cash flow-based valuation is performed that is not based on observable market data (level 3). Fair value for the Group's other Financial assets and liabilities is estimated to be the same as the carrying amount. Fair value and carrying amount are recognised in the balance sheet according to the following tables.

	31 Mar 14					
SEKm	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	Fair value
Financial assets	–	–	–	13 [3)]	–	13
Non-current receivables	–	–	4	–	–	4
Accounts receivable	–	–	963	–	–	963
Other receivables [1)]	1 [4)]	0	–	–	–	1
Cash and cash equivalents	–	–	69	–	–	69
TOTAL	**1**	**0**	**1,036**	**13**	**–**	**1,050**
Non-current interest-bearing liabilities	9 [5)]	–	–	–	5	14
Current interest-bearing liabilities	18 [5)]	–	–	–	562	580
Accounts payable	–	–	–	–	556	556
Other liabilities [2)]	2 [4)]	0	–	–	–	2
TOTAL	**29**	**0**	**–**	**–**	**1,123**	**1,152**

SEKm	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	Fair value
	31 Mar 13					
Financial assets	–	–	–	10 [3]	–	10
Non-current receivables	–	–	4	–	–	4
Accounts receivable	–	–	793	–	–	793
Other receivables [1]	3 [4]	0	–	–	–	3
Cash and cash equivalents	–	–	72	–	–	72
TOTAL	**3**	**0**	**869**	**10**	**–**	**882**
Non-current interest-bearing liabilities	10 [5]	–	–	–	1	11
Current interest-bearing liabilities	51 [5]	–	–	–	535	586
Accounts payable	–	–	–	–	480	480
Other liabilities [2]	1 [4]	1	–	–	–	2
TOTAL	**62**	**1**	**–**	**–**	**1,016**	**1,079**

[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.

Financial instruments, SEKm	31 Mar 14			31 Mar 13		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives used in hedge accounting	**0**	0	-	**0**	0	-
Derivatives held for trading purposes	**1**	1	-	**3**	3	-
Total financial assets at fair value per level	**1**	**1**	**-**	**3**	**3**	**-**
Derivatives used in hedge accounting	**0**	0	-	**1**	1	-
Derivatives held for trading purposes	**2**	2	-	**1**	1	-
Contingent considerations	**27**	-	27	**61**	-	61
Total financial liabilities at fair value per level	**29**	**2**	**27**	**63**	**2**	**61**

Contingent considerations	2013/2014	2012/2013
Carrying amount, opening balance	61	85
Acquisitions during the year	24	29
Reversed through profit or loss	-16	-6
Consideration paid	-43	-48
Interest expenses	2	3
Exchange differences	-1	-2
CARRYING AMOUNT, CLOSING BALANCE	**27**	**61**

Impact of financial instruments on net earnings	2013/2014	2012/2013
Assets and liabilities measured at fair value through profit or loss	-2	-3
Derivatives used in hedge accounting	0	0
Accounts receivable and loan receivables	-3	-3
Available-for-sale financial assets	0	0
Other liabilities	-12	-12
TOTAL	**-17**	**-18**

NOTE 4 NET SALES BY REVENUE TYPE

Group	2013/2014	2012/2013
OEM		
Components	2,801	2,801
PRODUCTS FOR END USERS		
Components	1,999	1,456
Machinery/Instruments	340	314
Materials	766	709
Services	183	123
TOTAL	**6,089**	**5,403**

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	2013/2014	2012/2013
OEM		
Components	1,157	1,169
Products for end users		
Components	304	266
Machinery/Instruments	41	49
Materials	43	54
Services	9	4
TOTAL	**1,554**	**1,542**

Addtech Energy	2013/2014	2012/2013
OEM		
Components	849	854
Products for end users		
Components	1,073	658
Machinery/Instruments	16	31
Materials	25	26
Services	12	7
TOTAL	**1,975**	**1,576**

Addtech Industrial Solutions	2013/2014	2012/2013
OEM		
Components	732	729
Products for end users		
Components	348	331
Machinery/Instruments	25	33
Materials	55	44
Services	13	13
TOTAL	**1,173**	**1,150**

Addtech Life Science	2013/2014	2012/2013
OEM		
Components	70	42
Products for end users		
Components	289	207
Machinery/Instruments	254	202
Materials	633	589
Services	147	101
TOTAL	**1,393**	**1,141**

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. Addtech uses operating profit to measure the profit of its business areas. 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 sub-systems in mechanics, electromechanics, hydraulics and electronics as well as automation solutions to customers in the manufacturing industry.

Addtech Energy

Addtech Energy markets and sells battery solutions, products for electrical transmission and distribution, and products in electrical safety, electrical installation and connection technology. Its customers operate in the energy and telecom sectors and in the electrical installation market through prescribing channels and electricity wholesalers.

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.

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.

Data by operating segment	2013/2014			2012/2013		
Net sales	External	Internal	Total	External	Internal	Total
Components	1,553	1	1,554	1,542	0	1,542
Energy	1,975	0	1,975	1,575	1	1,576
Industrial Solutions	1,168	5	1,173	1,145	5	1,150
Life Science	1,393	0	1,393	1,141	0	1,141
Parent Company and Group items	–	-6	-6	–	-6	-6
TOTAL	**6,089**	**0**	**6,089**	**5,403**	**0**	**5,403**

	2013/2014			2012/2013		
Operating profit/loss, assets and liabilities	Operating profit /loss	Assets [1)]	Liabilities [1)]	Operating profit /loss	Assets [1)]	Liabilities [1)]
Components	96	857	240	98	777	210
Energy	200	1,100	352	152	931	279
Industrial Solutions	93	576	184	93	503	177
Life Science	125	763	226	108	713	189
Parent Company and Group items	-13	169	1,114	-14	138	1,069
OPERATING PROFIT/LOSS, ASSETS AND LIABILITIES	**501**	**3,465**	**2,116**	**437**	**3,062**	**1,924**
Finance income and expenses	-26			-29		
PROFIT AFTER FINANCIAL ITEMS	**475**			**408**		

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

Investments in non-current assets	2013/2014 Intangible	Property, plant and equipment	Total	2012/2013 Intangible	Property, plant and equipment	Total
Components	3	7	10	–	10	10
Energy	0	17	17	1	8	9
Industrial Solutions	2	5	7	1	6	7
Life Science	1	15	16	0	10	10
Parent Company and Group Items	0	7	7	1	1	2
TOTAL	**6**	**51**	**57**	**3**	**35**	**38**

Depreciation/amortisation of non-current assets	2013/2014 Intangible	Property, plant and equipment	Total	2012/2013 Intangible	Property, plant and equipment	Total
Components	-24	-7	-31	-22	-6	-28
Energy	-29	-9	-38	-19	-7	-26
Industrial Solutions	-7	-9	-16	-5	-10	-15
Life Science	-18	-15	-33	-14	-15	-29
Parent Company and Group Items	-2	-2	-4	-2	-1	-3
TOTAL	**-80**	**-42**	**-122**	**-62**	**-39**	**-101**

Significant profit or loss items, other than depreciation or amortisation, not matched by payments in 2013/2014	Capital gains	Change in pension liability	Other items	Total
Components	0	12	-2	10
Energy	0	6	-5	1
Industrial Solutions	0	4	0	4
Life Science	0	9	-5	4
Parent Company and Group Items	0	-31	-1	-32
TOTAL	**0**	**0**	**-13**	**-13**

Data by country	2013/2014			2012/2013		
	Net sales, external	Assets [1]	Of which non-current assets	Net sales, external	Assets [1]	Of which non-current assets
Sweden	2,613	1,851	878	2,166	1,605	749
Denmark	809	343	106	841	326	102
Finland	762	390	151	758	355	150
Norway	957	618	342	810	549	311
Other countries	948	174	40	828	140	36
Parent Company, Group items and unallocated assets	–	89	13	–	87	10
TOTAL	**6,089**	**3,465**	**1,530**	**5,403**	**3,062**	**1,358**

[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	2013/2014 Intangible	Property, plant and equipent	Total	2012/2013 Intangible	Property, plant and equipent	Total
Sweden	3	29	32	3	23	26
Denmark	0	6	6	0	4	4
Finland	3	6	9	0	2	2
Norway	0	3	3	–	2	2
Other countries	0	7	7	0	4	4
TOTAL	**6**	**51**	**57**	**3**	**35**	**38**

NOTE 6 EMPLOYEES AND EMPLOYEE BENEFITS EXPENSE

	2013/2014			2012/2013		
Average number of employees	Men	Women	Total	Men	Women	Total
Sweden						
Parent Company	6	4	10	5	5	10
Other companies	629	199	828	538	168	706
Denmark	195	123	318	179	102	281
Finland	180	86	266	161	78	239
Norway	193	52	245	159	44	203
Other countries	362	71	433	309	67	376
TOTAL	**1,565**	**535**	**2,100**	**1,351**	**464**	**1,815**

	2013/2014			2012/2013		
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	17.5	2.9	3.0	17.6	2.6	2.6
Other companies	53.2	5.7	350.3	45.5	3.5	322.6
Denmark	22.9	2.0	166.5	20.9	1.8	154.2
Finland	20.1	1.0	97.3	19.6	1.7	93.3
Norway	20.4	1.1	143.0	20.1	3.7	116.1
Other countries	11.2	2.0	51.8	8.2	1.6	32.7
TOTAL	**145.3**	**14.7**	**811.9**	**131.9**	**14.9**	**721.5**

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	2013/2014	2012/2013	2013/2014	2012/2013
Salaries and other remuneration	957.1	853.5	20.5	20.2
Contractually agreed pensions for senior management	21.9	19.7	4.2	4.2
Contractual pensions to others	72.1	68.6	0.5	0.3
Other social security costs	192.8	172.3	7.8	7.7
TOTAL	**1,243.9**	**1,114.1**	**33.0**	**32.4**

At year-end, outstanding pension commitments to senior management totalled SEK 9.5 million (9.6) for the Group and SEK 2.2 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 14	31 Mar 13	31 Mar 14	31 Mar 13
Board of Directors (not including alternates)	3%	4%	17%	17%
Other members of senior management	18%	17%	17%	17%

PREPARATION AND DECISION-MAKING PROCESS FOR REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND GROUP MANAGEMENT

The guidelines applied in the 2013/2014 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 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 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.

For information regarding outstanding call option programmes, please refer to Administration Report/Repurchase of Treasury Shares and Incentive Programmes.

BOARD OF DIRECTORS

The Board fees of SEK 1,630 thousand (1,475) 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 3,825 thousand (4,509) and SEK 859 thousand (766) in variable pay. SEK 0 thousand (300) of the fixed salary refers to the long-term five-year incentive programme. Taxable benefits totalling SEK 188 thousand (188) 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 2013/2014, a total of SEK 1,150 thousand (1,000) in pension premiums, determined annually by the remuneration committee, were paid for the CEO. Variable salary 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 9,191 thousand (9,000) in fixed salaries and SEK 2,007 thousand (1,827) in variable remuneration. This variable remuneration was expensed during the 2013/2014 financial year and was paid during 2014/2015. Taxable benefits totalling SEK 513 thousand (589) 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 2013/2014, a total of SEK 3,095 thousand (3,197) 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	Other benefits	Pension costs	Total
Chairman of the Board	0.5	–	–	–	0.5
Other members of the Board	1.1	–	–	–	1.1
Chief Executive Officer	3.8	0.9	0.2	1.1	6.0
Other members of Group management (5 persons)	9.2	2.0	0.5	3.1	14.8
TOTAL	**14.6**	**2.9**	**0.7**	**4.2**	**22.4**

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

Board fees for 2013/2014, SEK ’000s

Name	Position	Fee
Anders Börjesson	Chairman of the Board	500
Tom Hedelius	Vice Chairman of the Board	380
Eva Elmstedt	Director	250
Ulf Mattsson	Director	250
Johan Sjö	Director	–
Lars Spongberg	Director	250
TOTAL		**1,630**

NOTE 7 REMUNERATION TO AUDITORS

	Group		Parent Company	
	2013/2014	2012/2013	2013/2014	2012/2013
KPMG				
Audit assignment	6.0	6.7	0.3	0.7
Tax consultation	0.3	0.5	0.1	0.1
Other assignments	0.7	1.0	0.0	0.1
TOTAL REMUNERATION TO KPMG	**7.0**	**8.2**	**0.4**	**0.9**
OTHER AUDITORS				
Audit assignment	0.9	0.9	–	–
Tax consultation	0.1	0.2	–	–
Other assignments	0.1	0.2	–	–
TOTAL REMUNERATION TO OTHER AUDITORS	**1.1**	**1.3**	**–**	**–**
TOTAL REMUNERATION TO AUDITORS	**8.1**	**9.5**	**0.4**	**0.9**

NOTE 8 DEPRECIATION AND AMORTISATION

	Group		Parent Company	
Depreciation and amortisation, by function	2013/2014	2012/2013	2013/2014	2012/2013
Cost of sales	-25.4	-25.3	–	–
Selling expenses	-87.4	-67.9	–	–
Administrative expenses	-9.1	-8.7	-0.7	-0.8
TOTAL	**-121.9**	**-101.9**	**-0.7**	**-0.8**

	Group		Parent Company	
Depreciation and amortisation, by type of asset	2013/2014	2012/2013	2013/2014	2012/2013
Intangible assets	-80.0	-62.4	-0.2	-0.5
Buildings and land	-3.1	-3.0	–	–
Leasehold improvements	-1.3	-1.1	-0.3	–
Machinery	-10.9	-10.2	–	–
Equipment	-26.6	-25.2	-0.2	-0.3
TOTAL	**-121.9**	**-101.9**	**-0.7**	**-0.8**

NOTE 9 OTHER OPERATING INCOME AND EXPENSES

Group	2013/2014	2012/2013
OTHER OPERATING INCOME		
Rental revenue	2.0	2.3
Gain on sale of operations and non-current assets	0.6	2.0
Change in value of share option	0.3	–
Exchange gains, net	–	0.5
Change in loans for contingent considerations	15.8	7.3
Other	9.2	8.6
TOTAL	**27.9**	**20.7**
OTHER OPERATING EXPENSES		
Property costs	-2.2	-4.4
Loss on sale of operations and non-current assets	-0.5	-0.1
Change in value of share option	–	-0.4
Exchange losses, net	-11.5	–
Change in loans for contingent considerations	-1.2	-1.3
Other	–	-1.4
TOTAL	**-15.4**	**-7.6**

The Parent Company has 0.2 in operating income, relating to a capital gain on the sale of equipment.

NOTE 10 OPERATING EXPENSES

Group	2013/2014	2012/2013
Inventories, raw materials and consumables	3,618.5	3,231.5
Employee benefits expense	1,285.3	1,151.7
Depreciation/amortisation	121.9	101.9
Impairment of inventories	16.1	17.4
Impairment of doubtful accounts receivable	2.8	3.2
Other operating expenses	571.3	486.8
TOTAL	**5,615.9**	**4,992.5**

NOTE 11 FINANCE INCOME AND COSTS

Group	2013/2014	2012/2013
Interest income on bank balances	1.9	2.0
Dividends	0.0	0.0
Exchange rate changes, net	0.9	–
Changes in value from revaluation of financial assets/liabilities, net	–	–
Other finance income	0.0	2.2
FINANCE INCOME	**2.8**	**4.2**
Interest expense on financial liabilities measured at amortised cost	-12.0	-11.7
Interest expense on financial liabilities measured at fair value	-1.8	-3.0
Interest expense on pension liability	-7.8	-9.6
Exchange rate changes, net	–	-2.3
Changes in value from revaluation of financial assets/liabilities, net	0.0	-0.1
Other finance costs	-7.0	-6.7
FINANCE COSTS	**-28.6**	**-33.4**
NET FINANCIAL ITEMS	**-25.8**	**-29.2**

Parent Company	2013/2014	2012/2013
Dividend income	8.0	19.8
Group contribution received	194.6	214.0
PROFIT FROM INTERESTS IN GROUP COMPANIES	**202.6**	**233.8**
Interest income, etc:		
Group companies	33.2	35.3
PROFIT FROM NON–CURRENT FINANCIAL ASSETS	**33.2**	**35.3**
Interest income, etc:		
Group companies	1.0	1.1
Other interest income, change in value of derivatives and exchange rate differences	7.5	4.8
INTEREST INCOME AND SIMILAR ITEMS	**8.5**	**5.9**
Interest expense, etc:		
Group companies	-5.4	-7.5
Other interest expense, change in value of derivatives and banking fees	-23.6	-18.9
INTEREST EXPENSE AND SIMILAR ITEMS	**-29.0**	**-26.4**
FINANCE INCOME AND COSTS	**215.3**	**248.6**

NOTE 12 YEAR-END APPROPRIATIONS - PARENT COMPANY

	2013/2014	2012/2013
Reversal of tax allocation reserve	57.8	42.5
Provision made to tax allocation reserve	-66.9	-67.3
Excess amortisation/depreciation	-1.1	0.3
TOTAL	**-10.2**	**-24.5**

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 2.2 million (5.4).

NOTE 13 TAXES

	Group		Parent Company	
	2013/2014	2012/2013	2013/2014	2012/2013
Current tax for the period	-122.2	-122.1	-44.2	-53.2
Adjustment from previous years	0.5	0.5	–	–
TOTAL CURRENT TAX EXPENSE	**-121.7**	**-121.6**	**-44.2**	**-53.2**
Deferred tax	15.8	37.1	0.6	-0.2
TOTAL RECOGNISED TAX EXPENSE	**-105.9**	**-84.5**	**-43.6**	**-53.4**

Group	2013/2014	%	2012/2013	%
Profit before tax	475.4		408.2	
Weighted average tax based on national tax rates	-107.9	22.7	-105.9	25.9
Tax effects of				
Non-deductible costs/non-taxable income	-3.6	0.8	-0.1	0.0
Transaction costs, revaluation contingent considerations acquisitions	3.4	-0.7	-3.0	0.7
Standard interest on tax allocation reserves	-1.4	0.3	-1.1	0.3
Changed tax rate	4.2	-0.9	25.5	-6.2
Adjustments from previous years	-0.9	0.2	0.2	0.0
Other	0.3	-0.1	-0.1	0.0
RECOGNISED TAX EXPENSE	**-105.9**	**22.3**	**-84.5**	**20.7**

Parent Company	2013/2014	%	2012/2013	%
Profit before tax	200.8		218.9	
Weighted average tax based on national tax rates	-44.2	22.0	-57.6	26.3
Tax effects of				
Standard interest on tax allocation reserves	-1.1	0.5	-0.8	0.4
Non-deductible costs				
Other	-0.3	0.1	-0.3	0.1
Non-taxable income				
Dividends from subsidiaries	1.8	-0.9	5.2	-2.4
Other	0.1	0.0	0.1	0.0
Adjustments from previous years	0.1	0.0	0.0	0.0
RECOGNISED TAX EXPENSE	**-43.6**	**21.7**	**-53.4**	**24.4**

Deferred tax assets/liabilities, net, at year-end	31 Mar 14			31 Mar 13		
Group	Assets	Liabilities	Net	Assets	Liabilities	Net
Non-current assets	1.9	-138.7	-136.8	1.4	-127.7	-126.3
Untaxed reserves	–	-94.7	-94.7	–	-86.4	-86.4
Pension provisions	18.1	-0.9	17.2	18.8	-1.1	17.7
Other	3.8	-0.9	2.9	7.7	0.2	7.9
Net recognised	-21.1	21.1	0.0	-27.5	27.5	–
DEFERRED TAXES, NET, AT YEAR–END	**2.7**	**-214.1**	**-211.4**	**0.4**	**-187.5**	**-187.1**

Group	2013/2014 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	-126.3	22.7	-32.4	–	-0.8	-136.8
Untaxed reserves	-86.4	-1.7	-6.6	–	–	-94.7
Pension provisions	17.7	-0.4	–	0.0	-0.1	17.2
Other	7.9	-4.8	–	0.1	-0.3	2.9
DEFERRED TAXES, NET	**-187.1**	**15.8**	**-39.0**	**0.1**	**-1.2**	**-211.4**

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	21.0	0.0	–	-3.1	-0.2	17.7
Other	9.5	0.1	0.1	-1.6	-0.2	7.9
DEFERRED TAXES, NET	**-182.3**	**37.2**	**-38.9**	**-4.8**	**1.7**	**-187.1**

	2013/2014			2012/2013		
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	-0.4	0.6	0.2	-0.2	-0.2	-0.4
DEFERRED TAXES, NET	**-0.4**	**0.6**	**0.2**	**-0.2**	**-0.2**	**-0.4**

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

NOTE 14 INTANGIBLE NON-CURRENT ASSETS

	2013/2014							
	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	696.2	672.3	22.9	9.9	0.8	58.6	3.7	1,464.4
Acquisition of companies	83.0	132.3	–	3.5	–	–	–	218.8
Investments	–	3.0	–	2.2	0.1	1.4	–	6.7
Amended additional consideration	–	–	–	–	–	–	–	0.0
Reclassifications	-0.2	–	–	–	–	–	–	-0.2
Translation effect for the year	6.2	5.4	–	–	0.1	0.7	–	12.4
CLOSING BALANCE	**785.2**	**813.0**	**22.9**	**15.6**	**1.0**	**60.7**	**3.7**	**1,702.1**
ACCUMULATED AMORTISATION								
Opening balance	–	-210.6	-0.2	-7.4	-0.2	-50.5	-3.7	-272.6
Acquisition of companies	–	–	–	-2.9	–	–	–	-2.9
Amortisation	–	-76.0	0.0	-1.0	-0.2	-2.8	–	-80.0
Translation effect for the year	–	-3.2	–	–	0.0	-0.7	–	-3.9
CLOSING BALANCE	**–**	**-289.8**	**-0.2**	**-11.3**	**-0.4**	**-54.0**	**-3.7**	**-359.4**
CARRYING AMOUNT AT YEAR-END	**785.2**	**523.2**	**22.7**	**4.3**	**0.6**	**6.7**	**0.0**	**1,342.7**
CARRYING AMOUNT AT START OF YEAR	**696.2**	**461.7**	**22.7**	**2.5**	**0.6**	**8.1**	**0.0**	**1,191.8**

Group	2012/2013							
	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	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**

Parent Company	2013/2014		2012/2013	
	Software	Total	Software	Total
ACCUMULATED COST				
Opening balance	2.8	2.8	2.6	2.6
Investments	–	–	0.2	0.2
CLOSING BALANCE	**2.8**	**2.8**	**2.8**	**2.8**
ACCUMULATED AMORTISATION				
Opening balance	-2.3	-2.3	-1.9	-1.9
Amortisation	-0.2	-0.2	-0.4	-0.4
CLOSING BALANCE	**-2.5**	**-2.5**	**-2.3**	**-2.3**
CARRYING AMOUNT AT YEAR-END	**0.3**	**0.3**	**0.5**	**0.5**
CARRYING AMOUNT AT START OF YEAR	**0.5**	**0.5**	**0.7**	**0.7**

Goodwill distributed by business area	Group	
	31 Mar 14	31 Mar 13
Addtech Components	213	189
Addtech Energy	268	225
Addtech Industrial Solutions	68	49
Addtech Life Science	236	233
TOTAL	**785**	**696**

Impairment testing of goodwill

The Group's recognised goodwill amounts to SEK 785 million (696). 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 2014.

The Group has carried out over 80 acquisitions since 2001. Goodwill in each individual acquisition is not material for the Group. Goodwill is therefore allocated among cash-generating units, which 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 2014/2015. 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

	2013/2014					
Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
ACCUMULATED COST						
Opening balance	111.6	15.3	194.2	297.2	1.8	620.1
Acquisition of companies	10.5	0.5	2.7	13.9	–	27.6
Investments	5.8	4.5	10.9	28.6	1.1	50.9
Disposals and retirement of assets	-0.5	-0.1	-4.9	-12.8	–	-18.3
Reclassifications	-1.5	–	2.9	0.0	-1.4	0.0
Translation effect for the year	3.7	0.6	7.9	6.1	0.2	18.5
CLOSING BALANCE	**129.6**	**20.8**	**213.7**	**333.0**	**1.7**	**698.8**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Opening balance	-52.3	-10.6	-150.8	-240.2	-0.4	-454.3
Acquisition of companies	-2.5	-0.2	-0.8	-11.2	–	-14.7
Depreciation	-3.1	-1.3	-10.8	-26.6	-0.1	-41.9
Disposals and retirement of assets	0.5	0.1	4.2	8.6	–	13.4
Reclassifications	0.8	–	-0.8	0.0	–	0.0
Translation effect for the year	-1.8	-0.4	-6.6	-5.7	-0.1	-14.6
CLOSING BALANCE	**-58.4**	**-12.4**	**-165.6**	**-275.1**	**-0.6**	**-512.1**
CARRYING AMOUNT AT YEAR-END	**71.2**	**8.4**	**48.1**	**57.9**	**1.1**	**186.7**
CARRYING AMOUNT AT START OF YEAR	**59.3**	**4.7**	**43.4**	**57.0**	**1.4**	**165.8**

	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**

Parent Company	2013/2014 Leasehold improvements	Equipment	Total	2012/2013 Leasehold improvments	Equipment	Total
ACCUMULATED COST						
Opening balance	1.9	0.0	1.9	2.3	0.0	2.3
Investments	1.7	3.1	4.8	–	–	–
Disposals and retirement of assets	-1.4	0.0	-1.4	-0.4	–	-0.4
CLOSING BALANCE	**2.2**	**3.1**	**5.3**	**1.9**	**0.0**	**1.9**
ACCUMULATED DEPRECIATION ACCORDING TO PLAN						
Opening balance	-1.6	0.0	-1.6	-1.7	0.0	-1.7
Depreciation	-0.3	-0.2	-0.5	-0.3	–	-0.3
Disposals and retirement of assets	1.4	0.0	1.4	0.4	–	0.4
CLOSING BALANCE	**-0.5**	**-0.2**	**-0.7**	**-1.6**	**0.0**	**-1.6**
CARRYING AMOUNT AT YEAR-END	**1.7**	**2.9**	**4.6**	**0.3**	**0.0**	**0.3**
CARRYING AMOUNT AT START OF YEAR	**0.3**	**0.0**	**0.3**	**0.5**	**0.0**	**0.5**

NOTE 16 LEASING

Operating leases	Group		Parent Company	
Addtech as leasee	2013/2014	2012/2013	2013/2014	2012/2013
LEASE PAYMENTS				
Lease payments made during the financial year	110.4	103.9	3.5	3.1
of which variable payments	1.0	0.9	–	–
Future minimum lease payments under non-cancellable contracts fall due as follows:				
Within one year	87.1	87.3	–	–
Later than one year and within five years	161.2	135.6	12.5	3.9
Five years or later	11.4	3.9	2.9	–
TOTAL	**259.7**	**226.8**	**15.4**	**3.9**

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

Addtech as lessor

Addtech received a total of SEK 1.0 million (1.9) in lease revenue during the financial year. SEK 2.0 million (2.3) remains to be received within one year, and thereafter a total of SEK 2.8 million (2.4) is receivable within five years or later. 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	2013/2014 Financial assets [1]	2013/2014 Non-current receivables	2013/2014 Total	2012/2013 Financial assets	2012/2013 Non-current receivables	2012/2013 Total
ACCUMULATED COST						
Opening balance	10.4	3.9	14.3	10.6	3.6	14.2
Acquisition of companies	2.2	1.6	3.8	0.1	0.2	0.3
Deductions of assets	0.0	-1.4	-1.4	–	0.0	0.0
Additions of assets	0.0	0.3	0.3	0.2	0.3	0.5
Translation effect for the year	0.7	0.0	0.7	-0.5	-0.2	-0.7
CLOSING BALANCE	**13.3**	**4.4**	**17.7**	**10.4**	**3.9**	**14.3**
ACCUMULATED IMPAIRMENT LOSSES						
Opening balance	0.0	-0.1	-0.1	0.0	-0.1	-0.1
Deduction of depreciation/amortisation	0.0	-0.1	-0.1	–	–	–
CLOSING BALANCE	**–**	**-0.2**	**-0.2**	**0.0**	**-0.1**	**-0.1**
CARRYING AMOUNT AT YEAR-END	**13.3**	**4.2**	**17.5**	**10.4**	**3.8**	**14.2**

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

Receivables from Group companies	Parent Company 2013/2014	Parent Company 2012/2013
Opening balance	1,174.7	1,000.5
Increase during the year	120.2	507.5
Decrease during the year	-77.4	-333.3
CARRYING AMOUNT AT YEAR-END	**1,217.5**	**1,174.7**

	Parent Company					
					Carrying amount	
Specification of interests in Group companies	Country	Number of shares	Quotient value	Holding %	31 Mar 14	31 Mar 13
Addtech Nordic AB, 556236-3076, Stockholm	Sweden	1,750.0	100.0	100.0	1,003.7	1,003.7
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**

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.

Interests in Group companies	Parent Company 2013/2014	Parent Company 2012/2013
ACCUMULATED COST		
Opening balance	1,265.8	1,265.8
Intra-Group restructuring (disposal of subsidiaries)	–	–
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**	**1,150.8**

NOTE 18 INVENTORIES

Group	31 Mar 14	31 Mar 13
Raw materials and consumables	54.8	58.1
Work in progress	38.0	40.1
Finished goods	615.9	577.0
TOTAL	**708.7**	**675.2**

The cost of sales for the Group includes impairment losses of SEK 16.1 million (17.4) on inventories. No significant reversals of prior impairment losses were made in 2013/2014 or 2012/2013.

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
Rent	14.7	14.8	1.1	0.7
Insurance premiums	8.8	6.4	3.2	0.1
Pension costs	3.1	2.6	0.5	0.5
Lease payments	3.5	2.8	0.1	0.1
Other prepaid expenses	23.8	36.4	2.9	3.2
Other accrued income	3.8	3.9	–	–
TOTAL	**57.7**	**66.9**	**7.8**	**4.6**

NOTE 20 SHAREHOLDERS' EQUITY

GROUP

Other contributed capital

Refers to equity contributed by shareholders.

	Group	
Reserves [1]	2013/2014	2012/2013
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening translation reserve	-67.2	-19.0
Translation effect for the year	23.2	-48.2
CLOSING TRANSLATION RESERVE	**-44.0**	**-67.2**
HEDGING RESERVE [2]		
Opening hedging reserve	-1.2	-0.5
Revaluations recognised via other comprehensive income	0.8	0.3
Recognised in profit or loss upon disposal (other operating income/expenses)	0.1	-1.2
Taxes attributable to the year's revaluations	0.1	-0.1
Taxes attributable to disposals	0.0	0.3
CLOSING HEDGING RESERVE	**-0.2**	**-1.2**
TOTAL RESERVES	**-44.2**	**-68.4**

[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 2,063,400 (2,434,200).

Dividend

After the reporting period, the Board of Directors proposed a dividend of SEK 3.00 per share. The dividend is subject to approval by the Annual General Meeting on 27 August 2014.

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 2014 consisted of 3,253,800 Class A shares, entitling the holders to 10 votes per share, and 64,944,696 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 0.75. The Company has repurchased 2,063,400 Class B shares, in the framework of the Company's ongoing repurchase programme. After subtracting repurchased shares, the number of Class B shares is 62,881,296 net.

Number of shares outstanding	Class A shares	Class B shares	All share classes
At start of year	1,086,380	20,835,052	21,921,432
Split	2,172,760	41,670,104	43,842,864
Redemption of personnel options	–	523,500	523,500
Repurchase of treasury shares	–	-152,700	-152,700
Conversion of Class A shares to Class B shares	-5,340	5,340	–
AT YEAR-END	**3,253,800**	**62,881,296**	**66,135,096**

NOTE 21 UNTAXED RESERVES

Parent Company	31 Mar 14	31 Mar 13
Tax allocation reserve, allocation for tax assessment 2009	–	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	67.3
Tax allocation reserve, allocation for tax assessment 2015	66.9	–
Accumulated excess depreciation/amortisation	1.3	0.2
CLOSING BALANCE	**337.1**	**327.0**

SEK 74.2 million of the Parent Company’s total untaxed reserves of SEK 337 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 applies. 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 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.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement UFR 3 of the Swedish Financial Reporting Board, this is a defined benefit plan covering multiple employers. For the 2013/2014 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). Fees for the next financial year are considered to be in line with those for the latest year. The collective consolidation level for Alecta was 147 percent (135) in March 2014.

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. Both funded and unfunded pension plans apply in Norway and Sweden. These funded pension obligations are secured by plan assets.

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 a special employer's contribution. This standard has been applied retrospectively, which involves the restatement of the comparative figures in the balance sheet. In addition, historical key performance indicators affected by such retrospective application have been restated. The pension liability at 31 March 2012 has increased by SEK 49 million, including a special employer's contribution of SEK 11 million, and shareholders' equity has decreased by a net amount of SEK 33 million. The pension liability at 31 March 2013 has increased by SEK 38 million, including special employer's contribution of SEK 13 million, and shareholders' equity has decreased by a net amount of SEK 25 million, of which SEK 9 million is via comprehensive income. The effect on the income statements is deemed to be immaterial and no restatement has therefore been made.

Obligations for employee benefits, defined benefit pension plans

	Group		Parent Company	
Pension liability as per balance sheet	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
Pension liability PRI	224.5	215.9	16.8	17.1
Other pension obligations	27.5	22.9	–	–
TOTAL COST OF DEFINED BENEFIT PLANS	**252.0**	**238.8**	**16.8**	**17.1**

	Group		Parent Company	
Obligations for defined benefits and the value of plan assets	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
Funded obligations:				
Present value of funded defined benefit obligations	76.4	71.6	–	–
Fair value of plan assets	-51.8	-51.0	–	–
NET DEBT, FUNDED OBLIGATIONS	**24.6**	**20.6**	**–**	**–**
Present value of unfunded defined benefit obligations	227.4	218.2	16.8	17.1
NET AMOUNT IN THE BALANCE SHEET (OBLIGATION +, ASSET –)	**252.0**	**238.8**	**16.8**	**17.1**
Pension obligations and plan assets per country:				
Sweden				
Pension obligations	249.6	242.0	16.8	17.1
Plan assets	-17.4	-16.6	–	–
NET AMOUNT IN SWEDEN	**232.2**	**225.4**	**16.8**	**17.1**
Norway				
Pension obligations	54.2	47.8	–	–
Plan assets	-34.4	-34.4	–	–
NET AMOUNT IN NORWAY	**19.8**	**13.4**	**–**	**–**
NET AMOUNT IN THE BALANCE SHEET (OBLIGATION +, ASSET –)	**252.0**	**238.8**	**16.8**	**17.1**

	Group		Parent Company	
Reconciliation of net amount for pensions in the balance sheet	2013/2014	2012/2013	2013/2014	2012/2013
Opening balance	238.8	244.5	17.1	17.6
Change in accounting for pensions	17.8	18.5	0.8	0.7
Payment of pension benefits	-6.8	-6.9	-1.1	-1.2
Funds contributed by employer	-7.1	-6.0	–	–
Acquisitions of companies	10.3	–	–	–
Translation effects	-0.4	-0.6	–	–
Revaluations	0.2	-12.5	–	–
Gains and losses from settlements	-0.8	1.8	–	–
NET AMOUNT IN BALANCE SHEET (OBLIGATION +, ASSET -)	**252.0**	**238.8**	**16.8**	**17.1**

Changes in the obligation for defined benefit plans recognised in the balance sheet	Group 2013/2014	Group 2012/2013
Opening balance	289.8	292.5
Pensions earned during the period	9.6	9.5
Interest on obligations	10.2	10.5
Benefits paid	-7.7	-7.7
Revaluations:		
Gain (-)/loss (+) resulting from demographic assumptions	0.9	–
Gain (-)/loss (+) resulting from financial assumptions	-2.4	-8.2
Experienced-based gains (-)/losses (+)	0.8	-3.9
Acquisitions of companies	10.3	–
Translation effects	-1.5	-2.9
Gains and losses from settlements	-6.2	0.0
Present value of pension obligations	303.8	289.8

Changes in plan assets	Group 2013/2014	Group 2012/2013
Opening balance	51.0	49.5
Funds contributed by employer	7.1	6.0
Benefits paid	-0.9	-1.0
Interest income recognised in profit or loss	2.0	1.5
Return on plan assets, excluding interest income	-0.9	-1.2
Translation effects	-1.1	-2.0
Gains and losses from settlements	-5.4	-1.8
Fair value of plan assets	**51.8**	**51.0**

	Group		Parent Company	
Pension costs	2013/2014	2012/2013	2013/2014	2012/2013
DEFINED-BENEFIT PENSION PLANS				
Cost for pensions earned during the year	9.6	9.5	–	–
Interest on obligations	10.2	10.5	0.7	0.7
Interest income recognised in profit or loss	-2.0	-1.5	–	–
TOTAL COST OF DEFINED BENEFIT PLANS	**17.8**	**18.5**	**0.7**	**0.7**
Total cost of defined contribution plans	83.5	78.0	4.7	4.6
Social security costs on pension costs	14.0	13.0	1.3	1.2
TOTAL COST OF BENEFITS AFTER TERMINATION OF EMPLOYMENT	**115.3**	**109.5**	**6.7**	**6.5**

Allocation of pension costs in the income statement	Group 2013/2014	Group 2012/2013
Cost of sales	18.1	14.6
Selling and administrative expenses	89.3	87.3
Net financial items	7.9	7.6
Total pension costs	**115.3**	**109.5**

	2013/2014		2012/2013	
Actuarial assumptions	Sweden	Norway	Sweden	Norway
The following material actuarial assumptions were applied in calculating obligations:				
Discount rate, 1 April, %	3.60	3.85	3.70	2.60
Discount rate, 31 March, %	3.80	3.60	3.60	3.85
Future salary increases, %	2.00-3.50	3.75	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’, %	–	3.50	–	3.25
Mortality table	FFFS 2007:31	K2013 B.E	FFFS 2007:31	K2005

Sensitivity of pension obligations to changes in assumptions	Sweden	Norway	Total
Defined benefit pension obligations at 31 March 2014	249.6	54.2	303.8
The discount rate increases by 0.5%	-24.4	-5.1	-29.5
The discount rate decreases by 0.5%	27.9	5.8	33.7
Expected life expectancy increases by 1 year	12.2	1.6	13.8

The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage 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. 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 K2013 B.E. Expected G regulation is used in the calculations in Norway and corresponds to Sweden's base amount.

These sensitivity analyses are based on a change in one assumption, while all the other assumptions remain constant. The same method, the projected unit credit method, is used to calculate the sensitivity in the defined benefit obligation as to calculate pension the obligation recognised in the balance sheet.

NOTE 23 PROVISIONS

Group 2013/2014	Premises	Personnel	Warranties	Other	Total
Carrying amount at start of period	0.2	0.0	7.3	1.6	9.1
Provisions made during the period	0.0	–	0.4	5.9	6.3
Amounts utilised during the period	–	–	-4.6	-2.0	-6.6
Unutilised amounts reversed	–	–	-2.6	0.4	-2.2
Translation effects	0.0	–	0.0	-	0.0
Other	–	–	–	-	0.0
CARRYING AMOUNT AT END OF PERIOD	**0.2**	**0.0**	**0.5**	**5.9**	**6.6**

Group 2012/2013	Premises	Personnel	Warranties	Other	Total
Carrying amount at start of period	2.0	0.0	3.8	7.7	13.5
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 14	31 Mar 13
LIABILITIES TO CREDIT INSTITUTIONS:		
Maturing within 2 years	5.1	0.3
Maturing within 3 years	0.1	0.1
Maturing within 4 years	–	0.1
Maturing within 5 years	–	–
Maturing in five years or later	–	–
TOTAL NON-CURRENT LIABILITIES TO CREDIT INSTITUTIONS	**5.2**	**0.5**
OTHER INTEREST-BEARING LIABILITIES:		
Maturing within 2 years	8.9	10.0
Maturing within 3 years	–	–
Maturing within 4 years	–	–
Maturing within 5 years	–	–
Maturing in five years or later	–	–
TOTAL OTHER NON-CURRENT INTEREST-BEARING LIABILITIES	**8.9**	**10.0**
TOTAL	**14.1**	**10.5**

There were no non-current interest-bearing liabilities in the Parent Company at 31 March 2014 (-). 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 14		31 Mar 13	
Currency	Local currency	SEKm	Local currency	SEKm
EUR	0.0	0.2	0.0	0.3
PLN	0.1	0.1	0.1	0.2
SEK	4.9	4.9	–	–
TOTAL		**5.2**		**0.5**

	Parent Company	
	31 Mar 14	31 Mar 13
Liabilities to Group companies	458.9	353.9
TOTAL	**458.9**	**353.9**

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

NOTE 25 CURRENT INTEREST-BEARING LIABILITIES

	Group		Parent Company	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
BANK OVERDRAFT FACILITY				
Approved credit limit	701.0	806.7	701.0	800.0
Unutilised portion	-240.4	-296.4	-240.4	-296.4
CREDIT AMOUNT UTILISED	**460.6**	**510.3**	**460.6**	**503.6**
Other liabilities to credit institutions	72.0	24.8	50.0	–
Other interest-bearing liabilities	47.0	51.1	–	–
TOTAL	**579.6**	**586.2**	**510.6**	**503.6**

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 14		31 Mar 13	
Currency	Local currency	SEKm	Local currency	SEKm
SEK	59.4	59.4	1.9	1.9
CNY	11.4	11.9	13.4	14.1
NOK	0.4	0.4	0.6	0.7
PLN	0.0	0.1	3.8	7.7
EUR	0.0	0.1	0.0	0.2
TTD	0.1	0.1	–	–
DKK	–	–	0.2	0.2
TOTAL		**72.0**		**24.8**

The Group’s financing is primarily managed by the Parent Company Addtech AB.

The Parent Company’s bank overdraft facility carried 1.05 percent interest at 31 March 2014.

The Parent Company’s loans in SEK carry a fixed interest rate, which was 1.8 percent at 31 March 2014.

Loans in CNY carry a variable interest rate, which was 7.2 percent at 31 March 2014.

NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
Rental revenue	1.2	0.4	–	–
Other deferred income	11.1	2.6	–	–
Salaries and holiday pay	174.5	151.9	6.7	5.8
Social security costs and pensions	65.4	64.5	5.1	4.6
Other accrued expenses [1)]	33.3	31.4	1.5	2.4
TOTAL	**285.5**	**250.8**	**13.3**	**12.8**

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

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS				
Real estate and site leasehold mortgages	21.1	16.8	–	–
Floating charges	63.8	62.1	–	–
Other pledged assets	24.1	20.7	–	–
TOTAL	**109.0**	**99.6**	**–**	**–**
CONTINGENT LIABILITIES				
Guarantees and other contingent liabilities	12.1	12.2	0.3	0.3
Guarantees for subsidiaries [1)]	–	–	154.3	143.9
TOTAL	**12.1**	**12.2**	**154.6**	**144.2**

[1)] Relates to PRI liabilities.

NOTE 28 CASH FLOW STATEMENT

	Group		Parent Company	
Adjustment for items not included in cash flow	2013/2014	2012/2013	2013/2014	2012/2013
Depreciation/amortisation	121.9	101.9	0.7	0.8
Gain/loss on sale of operations and non-current assets	-0.1	-0.6	–	–
Change in pension liability	-0.2	6.8	-0.3	-0.5
Group contributions/dividends not paid	–	–	-194.6	-214.0
Change in other provisions and accrued items	-1.6	4.0	–	–
Other	-10.7	-11.4	0.1	-1.1
TOTAL	**109.3**	**100.7**	**-194.1**	**-214.8**

For the Group, interest received during the year totalled SEK 1.9 million (3.9), and interest paid was SEK 12.1 million (11.7). For the Parent Company, interest received during the year was SEK 34.3 million (36.4), and interest paid was SEK 14.4 million (16.9).

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:

	2013/2014	2012/2013
Non-current assets	255.0	289.2
Inventories	45.5	65.9
Receivables	78.4	136.7
Cash and cash equivalents	15.3	44.0
TOTAL	**394.2**	**535.8**
Interest-bearing liabilities and provisions	-92.3	-39.1
Non-interest-bearing liabilities and provisions	-96.4	-107.1
TOTAL	**-188.7**	**-146.2**
Consideration paid [1)]	-220.8	-355.5
Cash and cash equivalents in acquired companies	15.3	44.3
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS	**-205.5**	**-311.2**

[1)] The consideration paid includes a contingent consideration charged to the income statement in the amount of SEK -15.2 million.

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

The following five corporate acquisitions were made in the 2013/2014 financial year:

Acquisitions	Country	Date of acquisition	Net sales, SEKm*	Number of employees*	Business area
Rutab AB	Sweden	April, 2013	150	40	Energy
Holger Eldfast AB	Sweden	July, 2013	15	2	Industrial Solutions
Vimex AS	Norway	August, 2013	14	7	Life Science
Sittab AB	Sweden	Oktober, 2013	65	26	Industrial Solutions
Valnor AS	Norway	December, 2013	55	12	Components

*Relates to the situation on a full-year basis at the date of acquisition.

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	1	135	136
Other non-current assets	18	–	18
Inventories	46	–	46
Other current assets	94	–	94
Deferred tax liability/tax asset	-8	-31	-39
Other liabilities	-101	-3	-104
ACQUIRED NET ASSETS	**50**	**101**	**151**
Goodwill			83
CONSIDERATION [1]			**234**
Less: cash and cash equivalents in acquired businesses			-15
Less: consideration not yet paid			-53
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS			**166**

[1] The consideration is stated excluding acquisition expenses.

The combined consideration for the acquisitions was SEK 234 million, of which SEK 219 million, according to preliminary acquisition analyses, was allocated to goodwill and other intangible assets. The combined effect of the acquisitions on the Addtech Group's net sales was SEK 225 million, on operating profit SEK 15 million and on profit after tax for the period SEK 9 million.

Had the acquisitions been completed on 1 April 2013, their impact would have been an estimated SEK 300 million on net sales, about SEK 22 million on operating profit and some SEK 15 million on profit after tax for the period. The transaction costs for acquisitions with a takeover date during the financial year amount to SEK 1 million and are recognised in the selling expenses item. Of the consideration not yet paid for acquisitions during the year, estimated contingent consideration amounts to SEK 21 million, which constitutes about 61 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 1 million (7) was recognised in other operating income because calculated contingent considerations regarding earlier acquisitions differed from the actual outcome. Revaluation of liabilities for contingent considerations not yet paid led to income of SEK 15 million (1 other operating costs) 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 14 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

	2013/2014	2012/2013
Basic EPS (SEK)	5.50	4.85
Diluted EPS (SEK)	5.45	4.85

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 2013/2014 is based on profit for the year attributable to Parent Company shareholders, totalling SEK 363 million (318), and a weighted average number of shares outstanding during 2013/2014 of 66,003 thousand (65,394). The two components were calculated in the following manner:

	2013/2014	2012/2013
Profit for the year attributable to the equity holders of the Parent Company, before dilution (SEKm)	363	318

WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BEFORE DILUTION

In thousands of shares	2013/2014	2012/2013
Total number of shares 1 April	65,764	65,238
Effect of treasury shares held	239	156
WEIGHTED AVERAGE NUMBER OF SHARES DURING THE YEAR, BEFORE DILUTION	**66,003**	**65,394**

EARNINGS PER SHARE, DILUTED

The calculation of diluted EPS for 2013/2014 is based on profit attributable to Parent Company shareholders, totalling SEK 363 million (318), and a weighted average number of shares outstanding during 2013/2014 of 66,457 thousand (65,533). The two components were calculated in the following manner:

	2013/2014	2012/2013
Profit for the year attributable to the equity holders of the Parent Company, after dilution (SEKm)	363	318

WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, AFTER DILUTION

In thousands of shares	2013/2014	2012/2013
Weighted average number of shares during the year, before dilution	66,003	65,394
Effect of share options issued	454	139
WEIGHTED AVERAGE NUMBER OF SHARES DURING THE YEAR, AFTER DILUTION	**66,457**	**65,533**

NOTE 31

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.

Head office address:
Addtech AB (publ.)
Box 5112
102 43 Stockholm, Sverige
Tel +46 8 470 49 00
Fax +46 8 470 49 01
www.addtech.com

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 1 April GigaCom AB and GigaCom AS were acquired, becoming part of the Addtech Components business area. The GigaCom companies are technology trading companies supplying fibre-optic components and systems on the Swedish and Norwegian markets. The companies have six employees and sales of around SEK 30 million.

On 5 May Solar Supply Sweden AB was acquired for the Addtech Energy business area. Solar Supply is a technology trading company marketing and installing solar PV systems and related components on the Swedish market. Solar Supply has three employees and sales of about SEK 15 million.

On 17 June an agreement was signed to acquire 90 percent of shares outstanding in Hans Følsgaard A/S to become part of business areas Addtech Components and Addtech Energy. Hans Følsgaard is a technology trading company that delivers components and systems to OEM customers and larger end users within the manufacturing industry and also products within infrastructure and power transmissions to e.g. electric producers and wind power manufacturers. Hans Følsgaard has 65 employees and sales of about DKK 300 million. The closing is estimated to take place in the beginning of July 2014

The combined consideration and allocations to goodwill and other intangible assets for the acquisitions 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

Proposed allocation of earnings

The following amounts are available for distribution by the Annual General Meeting of Addtech AB:	
Retained earnings	746 SEKm
Profit for the year	157 SEKm
	903 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 3.00 per share [1)]	199 SEKm
To be carried forward	704 SEKm
	903 SEKM

[1)] Based on the number of shares outstanding at 31 May 2014. The total dividend payout may change if the number of treasury shares repurchased changes prior to the proposed dividend record date of 1 September 2014.

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 (1) 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, 23 june 2014

Anders Börjesson
Chairman of the Board

Tom Hedelius
Vice Chairman of the Board

Eva Elmstedt
Director

Ulf Mattsson
Director

Lars Spongberg
Director

Johan Sjö
Board member and CEO

We submitted our auditor's report on 24 June 2014

KPMG AB

George Pettersson
Authorised Public Accountant
Auditor in charge

KPMG AB

Jonas Eriksson
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 1 April 2013 – 31 March 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 18-96.

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 2014 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 2014 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 by the Board of Directors and the Managing Director of Addtech AB (publ.) for the financial year 1 April 2013 – 31 March 2014.

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 a 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, 24 June 2014

KPMG AB

George Pettersson
Authorised Public Accountant
Auditor in Charge

KPMG AB

Jonas Eriksson
Authorised Public Accountant

BOARD OF DIRECTORS

The information about shareholdings and call options is as per 31 May 2014.

ANDERS BÖRJESSON

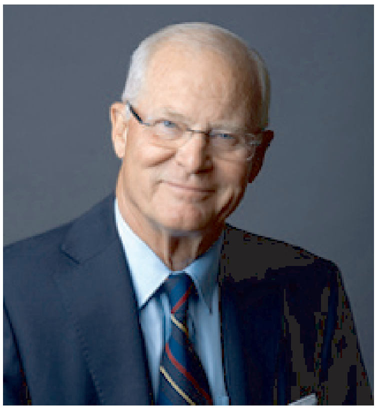
M.Sc. Econ.

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): 1,490,760 Class A shares and 121,050 Class B shares.

EVA ELMSTEDT

Bachelor of Arts (B.A.): Economics and Computer Science

Born in 1960. Director since 2005. Executive Vice President, Global Services, Networks, Nokia. Other board assignments: Director of Proact. Professional experience: Senior management at Ericsson, Hi3G Access AB '3', IBM and Semcon. Ownership: 6,900 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 and 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: 1,445,760 Class A shares and 16,200 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, Granngården AB and Crem International. Director of Sanitec, StormGeo 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 1. Professional experience: Senior management at Spectra Physics, Autoliv, Svenska Handelsbanken, Electrolux and Swedish Match. Ownership: 4,500 Class B shares.

JOHAN SJÖ

M.Sc. Econ.

Born in 1967. President and CEO. Director since 2008. Employed in the Group since 2007. Other board assignments: Director of BUFAB Professional experience: Senior management at B&B TOOLS, prior to that Alfred Berg ABN Amro. Ownership: 10,080 Class A shares and 89,700 Class B shares. Call options corresponding to 148,500 shares.

GROUP MANAGEMENT

The information about shareholdings and call options is as per 31 May 2014.

JOHAN SJÖ

M.Sc. Econ.

Born in 1967. President and CEO. Director since 2008. Employed in the Group since 2007. Other board assignments: Director of BUFAB Professional experience: Senior management at B&B TOOLS, prior to that Alfred Berg ABN Amro. Ownership: 10,080 Class A shares and 89,700 Class B shares. Call options corresponding to 148,500 shares.

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. Ownership: 49,500 Class B shares. Call options corresponding to 147,000 shares.

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: 300 Class B shares. Call options corresponding to 153,000 shares.

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: 202,653 Class B shares. Call options corresponding to 153,000 shares.

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): 97,050 Class B shares. Call options corresponding to 135,000 shares.

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: 133,050 Class B shares. Call options corresponding to 153,000 shares.

AUDITOR

GEORGE PETTERSSON

KPMG

Auditor in charge: George Pettersson, Authorised Public Accountant, Stockholm. Born in 1964. George Pettersson has been in charge of auditing the Addtech Group since 2013/2014 and is also in charge of auditing B&B Tools AB, Holmen AB, Hufvudstaden AB, Kungsleden AB, Nobia AB, Sandvik AB and Skanska AB.

JONAS ERIKSSON

KPMG

Assistant auditor: Jonas Eriksson, Authorised Public Accountant, Stockholm. Born in 1974. Jonas Eriksson has been the assistant auditor for the audit of the Addtech Group since 2013/2014 and is also involved in auditing companies including Sandvik AB and Skanska AB. Jonas is also in charge of auditing numerous medium-size companies, including Carglass Sweden AB, RenoNorden AB and the Silva Group.

ADDTECH SHARES

The Addtech shares are listed on NASDAQ OMX Stockholm. Since their listing in September 2001 until 31 April 2014, the total return on the shares until 31 March 2014 has averaged 21 percent per year.

MARKET PERFORMANCE OF THE SHARES AND TURNOVER

The highest price paid during the year, adjusted for the split of each share into three (3) shares, was SEK 111.00 and was quoted on 21 January 2014. The lowest was SEK 201.00 on 19 April 2013, corresponding to SEK 67.00 following the split of each share into three (3) shares. The final price paid before the end of the financial year was SEK 101.75 on 31 March 2014. The value of the Addtech shares increased by 41 percent (19) during the financial year. The OMX Stockholm index on the NASDAQ OMX Stockholm Exchange increased by 17 percent (10) in the corresponding period.

During the period 1 April 2013 - 31 March 2014, 5.4 million (2.7) shares were traded with an aggregate value of approximately SEK 870 million (508). Relative to the average number of Class B shares outstanding, this is equivalent to a turnover rate of 13 percent (12). Broken down by trading day, an average of 22,000 (11,000) Addtech shares were traded at an average value of about SEK 3.5 million (2.0).

SHARE CAPITAL

The share capital in Addtech amounts to SEK 51,148,872. The Extraordinary General Meeting of the shareholders in Addtech AB on 19 November 2013 decided to carry out a split in the number of shares in the company by splitting each share into three (3) shares. The number of shares in the company increased to 68,198,496, of which 3,253,800 are Class A shares and 64,944,696 are Class B shares. The quotient value is SEK 0.75. 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 shares are listed on NASDAQ OMX Stockholm. The share split was carried out on 13 December 2013.

REPURCHASE OF TREASURY SHARES

The Annual General Meeting in August 2013 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 2014. 152,700 treasury shares were repurchased during the financial year.

At 31 March 2014, Addtech's holding of Class B treasury shares was 2,063,400, with an average purchase price of SEK 45.60. These shares correspond to 3.0 percent of the number of shares issued and 2.1 percent of the votes. All of the repurchased 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 2,195,148 (2,804,403).

INCENTIVE PROGRAMMES

At 31 March Addtech had four ongoing incentive programmes:

Ongoing incentive programmes

Year	Options corresponding to number of shares	Percentage of total number of shares, %	Redemption price, SEK
2013	540,000	0.8%	106.13
2012	600,000	0.9%	71.50
2011	600,000	0.9%	59.80
2010	107,800	0.2%	54.90
	1,847,800	**2.8%**	
Total number of B shares	64,944,696		

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

The share split also resulted in each outstanding call option entitling holders to three Class B shares.

In accordance with a resolution of the August 2013 AGM, 25 members of management were offered the opportunity to acquire 180,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of B shares outstanding will increase by 540,000, equivalent to 0.8 percent of the total number of shares and 0.6 percent of the votes. The call options were transferred at a price of SEK 21.20 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price per share attributable to the share-based incentive programme for 2013 is SEK 106.13; the redemption period is 19 September 2016 until 2 June 2017.

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 600,000, 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 per share attributable to the share-based incentive programme for 2012 is SEK 71.50; 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 600,000, equivalent to 0.9 percent of the total number of shares outstanding and 0.6 percent of the votes. The redemption price per share attributable to the share-based incentive programme for 2011 is SEK 59.80; the redemption period is 15 September 2014 until 29 May 2015.

The redemption price per share attributable to the share-based incentive programme for 2010 is SEK 54.90; the redemption period is 16 September 2013 until 30 May 2014. Between 16 September 2013 and 31 March 2014, 113,900 options out of a total of 221,700 were redeemed to shares. The remaining 107,800 have been redeemed since the end of the financial year.

The Board has decided to propose that the Annual General Meeting in August 2014 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 pay-out ratio exceeding 50 percent of consolidated average profit after tax over a business cycle. Since the share was listed, the pay-out 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 3.00 per share (2.67), equivalent to a pay-out ratio of 55 percent (55). The total dividend amounts to SEK 199 million (176).
- **Incentive programmes.** 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 - transfer up to 350,000 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 350,000, equivalent to 0.5 percent of the number of shares outstanding and 0.3 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 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.

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

	2013/2014	2012/2013	2011/2012
Earnings per share (EPS), SEK	5.50	4.85	4.90
Shareholders' equity per share, SEK	20.10	16.70	14.90
Price/earnings ratio	18	15	12
Dividend per share, SEK	3.00 [1]	2.67	2.67
Payout ratio, %	55	55	55
Dividend yield, %	3.1	3.7	4.4
Last price paid, SEK	101.75	72.33	60.67
Price/equity, multiple	5.1	4.3	4.1
Market capitalisation, SEKm	6,608	4,757	3,958
Average number of shares outstanding	66,003,348	65,394,093	65,832,357
Number of shares outstanding at year-end	66,135,096 [2]	65,764,296	65,238,096
Number of shareholders at year-end	3,557	3,379	3,715

[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: 2,063,400 Class B shares at 31 mars 2014.

ADDTECH'S LARGEST SHAREHOLDERS, 31 MARCH 2014

			Proportion of	
Shareholder	Class A shares	Class B shares	capital, %	votes, %
Anders Börjesson (family)	1,490,760	121,050	2.4	15.4
Tom Hedelius	1,445,760	16,200	2.1	14.8
Lannebo Fonder	0	7,810,148	11.5	8.0
Swedbank Robur Fonder	0	5,727,718	8.4	5.9
SEB Investment Management	0	3,970,779	5.8	4.1
Livförsäkringsbolaget Skandia	0	3,409,005	5.0	3.5
Handelsbanken fonder	0	2,663,898	3.9	2.7
Canadian Treaty Clients Account	0	2,509,515	3.7	2.6
Odin Fonder	0	2,474,674	3.6	2.5
Didner & Gerge Fonder AB	0	2,068,424	3.0	2.1
SEB Fonder	0	1,989,479	2.9	2.0
Säve Family	60,000	1,250,319	1.9	1.9
Sandrew AB	0	1,800,000	2.6	1.8
State Street Bank & Trust Com. Boston	0	1,535,121	2.3	1.6
Fidelity Low-Priced Stock FD	0	1,462,600	2.1	1.5
TOTAL 15 LARGEST OWNERS [3]	**2,996,520**	**38,808,930**	**61.3**	**70.6**

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

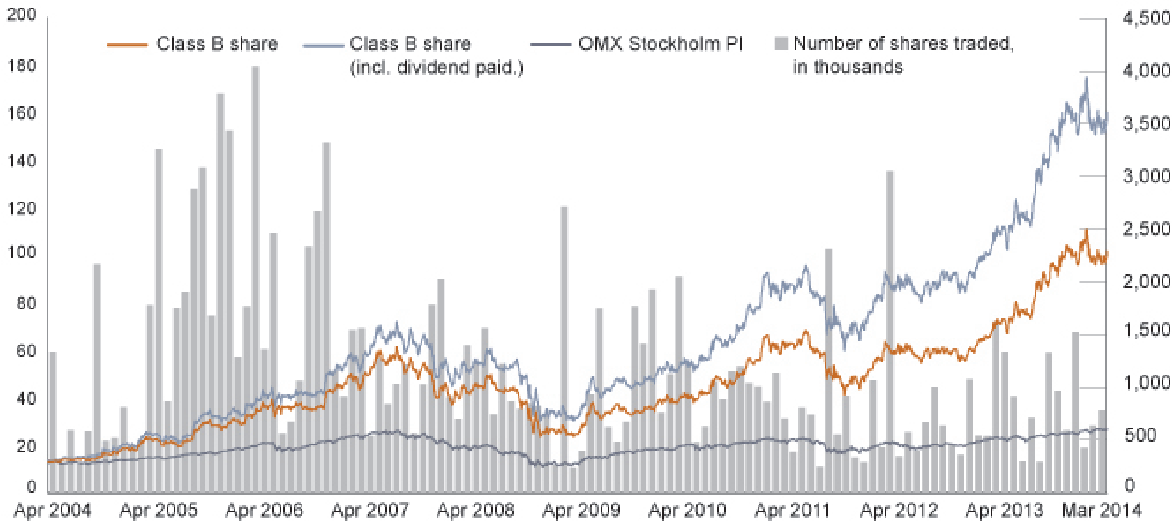
SIZE CLASSES

Number of shares	Proportion of share capital, %	Number of shareholders	Proportion of number of shareholders, %
1 - 500	0	1,650	46
501 - 1 000	1	604	17
1 001 - 5 000	3	885	25
5 001 - 10 000	2	167	5
10 001 - 20 000	2	97	3
20 001 -	92	154	4
	100	**3,557**	**100**

HOLDINGS BY CATEGORY

	2013/2014		2012/2013	
	Number of shareholders	Proportion of capital, %	Number of shareholders	Proportion of capital, %
Swedish owners	3,358	75	3,197	79
Foreign owners	199	25	182	21
TOTAL	**3,557**	**100**	**3,379**	**100**
Legal entities	383	77	402	76
Natural persons	3,174	23	2,977	24
TOTAL	**3,557**	**100**	**3,379**	**100**

SHARE PERFORMANCE CHART



SHARE CAPITAL DEVELOPMENT

Event	Class A					Class B			
	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
At time of listing		1,840,286	7	18,402,860	41		26,023,946	93	26,023,946
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
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
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
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
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
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
2008/2009									
Cancellation of Class B shares		1,103,814	5	11,038,140	34	-900,000	21,629,018	95	21,629,018
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
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
2010/2011									
Cancellation of Class B shares		1,099,782	5	10,997,820	34	-20,000	21,613,050	95	21,613,050
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
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
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
2013/2014									
Split 3:1	2,172,760	3,259,140	5	32,591,400	33	43,292,904	64,939,356	95	64,939,356
Conversion of Class A shares to Class B shares	-5,340	3,253,800	5	32,538,000	33	5,340	64,944,696	95	64,944,696

Total number of shares	68,198,496
Total number of votes	97,482,696

MULTI-YEAR SUMMARY

SEKm, unless stated otherwise	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Net sales	6,089	5,403	5,200	4,418	3,680
Operating profit [1]	501	437	470	380	216
Finance income and costs	-26	-29	-23	-16	-14
Profit after financial items	475	408	447	364	202
Profit for the year	369	323	327	265	150
[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
Sale of property	–	–	–	–	0
Redeployment costs	–	–	–	-8	–
TOTAL	**–**	**0**	**0**	**2**	**0**
Intangible non-current assets	1,343	1,192	1,012	793	554
Property, plant and equipment	187	166	156	162	141
Non-current financial assets	20	14	14	13	8
Inventories	709	675	650	556	465
Current receivables	1,137	943	850	735	584
Cash and cash equivalents	69	72	50	50	50
TOTAL ASSETS	**3,465**	**3,062**	**2,732**	**2,309**	**1,802**
Shareholders' equity	1,330	1,097	971	907	803
Non-controlling interests	19	16	13	15	11
Interest-bearing liabilities and provisions	846	835	633	408	218
Non-interest-bearing liabilities and provisions	1,270	1,114	1,115	979	770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,465**	**3,062**	**2,732**	**2,309**	**1,802**
Capital employed	2,195	1,948	1,617	1,330	1,032
Working capital, year average	1,075	969	890	753	732
Financial net liabilities	776	763	584	358	168
Net liabilities, excl. pensions	524	523	339	172	-15
Operating margin, %	8.2	8.1	9.0	8.6	5.9
Profit margin, %	7.8	7.6	8.6	8.2	5.5
Return on equity, %	30	31	34	31	18
Return on capital employes, %	24	25	32	33	19
Return on working capital (P/WC), %	47	45	53	50	30
Equity ratio, %	39	36	36	40	45
Debt/equity ratio, multiple	0.6	0.7	0.6	0.4	0.3
Net debt/equity ratio, multiple	0.4	0.5	0.3	0.2	0.0
Interest coverage ratio, multiple	17.5	14.2	15.8	19.5	12.4
Financial net liabilities/EBITDA, multiple	1.2	1.4	1.0	0.8	0.6
Earnings per share (EPS), SEK	5.50	4.85	4.90	3.95	2.20
EPS, after dilution, SEK	5.45	4.85	4.85	3.90	2.20
Cash flow per share, SEK	7.25	5.20	6.30	4.50	4.40
Shareholders' equity per share, SEK	20.10	16.70	14.90	13.60	12.05
Dividend per share, SEK	3,00 [2]	2.67	2.67	2.33	1.67
Average number of shares after repurchases, '000s	66,003	65,394	65,832	66,759	66,612
Average number of shares adjusted for dilution, '000s	66,457	65,533	66,000	66,878	66,747
Market price of share at 31 March, SEK	101.75	72.33	60.67	63.00	40.58
Turnover rate of the share, %	13	12	17	17	21
Cash flow from operating activities	479	339	415	300	293
Cash flow from investing activities	-259	-351	-296	-302	-43
Cash flow from financing activities	-229	45	-119	5	-284
Cash flow for the year	-9	33	0	3	-34
Average number of employees	2,100	1,815	1,612	1,445	1,335
Number of employees at year-end	2,150	2,011	1,700	1,512	1,323

[2] As proposed by the Board of Directors.

DEFINITIONS

SHARE TURNOVER RATE
Total trading volume divided by the average number of Class B shares outstanding during the financial year.

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.

RETURN ON CAPITAL EMPLOYED
Profit/loss after net financial items, plus interest expenses plus/minus exchange differences, as a percentage of average capital employed.

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

EQUITY PER SHARE
Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.

FINANCIAL NET LIABILITIES
Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.

CASH FLOW PER SHARE
Cash flow from operating activities, divided by the average number of shares.

FINANCIAL NET LIABILITIES/EBITDA
Financial net liabilities divided by EBITDA.

RATE OF EMPLOYEE TURNOVER
Number of employees who left during the year, in relation to the average number of employees.

INTEREST COVERAGE RATIO
Profit /loss after net financial items, plus interest expense, plus/minus exchange differences in relation to interest expense.

WORKING CAPITAL
Sum of inventories and accounts receivable, less accounts payable. Calculation of P/WC uses average working capital for the year.

OPERATING MARGIN
Operating profit/loss as a percentage of net sales.

NET DEBT/EQUITY RATIO

Interest-bearing liabilities and interest-bearing provisions, excluding pension provisions, in relation to shareholders' equity.

EQUITY RATIO

Equity as a percentage of total assets.

CAPITAL EMPLOYED

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

OUTSTANDING SHARES

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

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.

PROFIT MARGIN

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

WELCOME TO THE ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Addtech AB (publ.) will be held at 4.00 p.m. on 27 August 2014 at 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, 21 August 2014,
- and provide the Company with notification of their attendance by 3.00 p.m. Thursday, 21 August 2014 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/investors; or by e-mailing info@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 2014 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, 21 August 2014.

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 no later than 17 July 2014.

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, 1 September 2014 for dividend payment. Provided the AGM adopts the proposal, the dividend is expected to be paid through Euroclear Sweden AB on Thursday, 4 September 2014, 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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