

## GROUP ANNUAL REPORT FOR LILJEDAHL GROUP AB

### BOARD OF DIRECTORS' REPORT

The Board of Directors and the President of Liljedahl Group AB hereby submit their Annual Report and consolidated accounts concerning operations in the 2012 fiscal year.

#### Five-year Summary The Group (SEK 000s)

	2012	2011	2010	2009	2008
<b>Income statement</b>					
Net sales	9 356 714	10 294 114	11 018 825	7 475 602	10 009 782
EBITDA	199 967	316 923	290 389	187 274	287 942
EBIT	86 675	200 475	164 518	65 113	172 643
Profit after financial items	61 127	171 522	166 058	59 681	131 385
Tax	-8 936	-54 724	-53 795	-17 558	-45 899
Net profit for the year	52 191	116 798	112 263	42 123	85 486
Amortisation of intangible assets charged to earnings	-27 234	-28 809	-38 423	-30 178	-25 891
Depreciations of tangible assets charged to earnings	-86 058	-87 639	-87 448	-91 983	-89 408
<b>Balance sheet</b>					
Intangible assets	118 008	146 182	175 093	213 909	229 044
Tangible assets	717 908	742 909	754 353	814 155	838 925
Cash and cash equivalents	135 231	17 706	17 048	25 775	41 680
Shareholders' equity	1 106 310	1 063 616	963 189	882 816	859 725
Long-term liabilities	221 493	222 426	275 012	305 060	323 305
Total assets	2 830 913	2 986 030	3 219 680	2 994 111	2 872 260
<b>Cash flow from operating activities</b>	219 829	130 944	88 506	96 198	149 548
<b>Investments <sup>1)</sup></b>					
Intangible assets	-	-	2 348	-	-
Tangible assets	50 656	74 321	58 170	91 262	98 000
Shares in subsidiaries	-	-	-	21 089	73 652
<b>Average number of employees</b>	1 210	1 195	1 199	1 233	1 313
<b>Key figures</b>					
Operating margin, % <sup>2, 4)</sup>	3,0	6,4	5,9	2,4	4,8
Profit margin, % <sup>3, 4)</sup>	1,8	3,7	4,0	1,5	2,4
Return on shareholders' equity, % <sup>5)</sup>	4,8	11,5	12,2	4,8	10,8
Return on capital employed, % <sup>6, 7)</sup>	5,1	10,0	9,4	5,5	11,0
Equity/assets ratio, % <sup>8)</sup>	39	36	30	29	30
Net worth/share, SEK <sup>9)</sup>	553	532	482	441	430

1) Exclusive of rental vehicles.

2) EBIT/net sales.

3) Profit/net sales for the year.

4) Based on value added for Bare Wire and Winding Wire, instead of net sales.

5) Profit for the year as a percentage of the average shareholders' equity.

6) Profit after financial items plus financial expenses as a percentage of average capital employed.

7) Capital employed consists of total assets less non-interest-bearing liabilities and provisions.

8) Shareholders' equity in relation to total assets.

9) Shareholders' equity in relation to the number of shares in 2012.

## Operations

The Liljedahl Group AB is a long-term owner of an industrial and commercial group where know-how and capital contribute to further development. The Liljedahl Group AB is an active owner, and brings durable conditions for continued development of the operations.

Liljedahl Group's activities within Industry and Commercial consist of 15 operating companies divided into seven business areas:

- Liljedahl Bare Wire
- Liljedahl Winding Wire
- Liljedahl Steel Wire
- Liljedahl Machine Tools
- Finnvedens Lastvagnar
- Finnvedens Bil
- Liljedahl Real Estate

### ***Liljedahl Bare Wire – Supplier of uninsulated electro-technical products***

Liljedahl Bare Wire has operations in Sweden (AB Elektrokoppar), Germany (Isodraht GmbH) and China (Liljedahl Wire (Taicang) Co. Ltd.). Liljedahl Bare Wire manufactures copper wire rod, refines wire rod of copper and aluminium for electrical conductors, profiles for high-voltage cables, small electric motors and contact wire for railways, as well as drawn wire for power, telecommunication and cabling for fixtures and fittings.

### ***Liljedahl Winding Wire – Supplier of insulated electro-technical products***

Liljedahl Winding Wire has operations in Sweden (AB Dahréntråd), Germany (Isodraht GmbH), Poland (LWW Slaska Sp. z o.o.) and China (Liljedahl Wire (Taicang) Co. Ltd.). Liljedahl Winding Wire manufactures enamelled wire which is used for electrical motors, transformers, cars and household appliances, enamelled flat wire which is found in locomotive engines and distribution transformers, lapped flat wire for generators and transformers, for instance, for wind power and other types of power production. The raw materials used are wire rod of copper and aluminium.

### ***Liljedahl Steel Wire – Manufactures and refines a wide range of carbon wire of steel for the manufacturing industry***

Liljedahl Steel Wire has operations in Sweden (Hörle Wire AB) and Slovakia (Hörle Wire s.r.o.). Liljedahl Steel Wire manufactures and refines a wide range of low and high carbon steel for the manufacturing industry. The products are used, for instance, in shop and kitchen fittings, in power transmission, construction industry as well as in furniture.

### ***Liljedahl Machine Tools – Machinery supplier to the engineering industry***

Liljedahl Machine Tools has operations in Sweden (Ravema AB and Din Maskin i Värnamo AB) and Norway (Ravema AS and Din Maskin AS), where the companies offer the Nordic engineering industry machinery for metal cutting and sheet metal forming, accessories, quality tools and service with the aim of increasing customers' productivity and profitability. Operations are also conducted in Finland (Ravema Oy), where the company provides the Finnish engineering industry with quality tools and industrial supplies. The head office of Liljedahl Machine Tools is located in Värnamo. The Norwegian operations have sales offices in Oslo and Stavanger, and the Finnish sales office is located in Tampere.

### ***Finnvedens Lastvagnar – Reseller of Volvo trucks***

Finnvedens Lastvagnar AB has sales of trucks, financing operations, authorised workshops, service and maintenance and parts sales in 18 locations in Southern and Central Sweden, and sales on the island of Gotland. Finnvedens Lastvagnar is a reseller of Volvo trucks. Finnvedens Lastvagnar enhances the efficiency of its customers' logistics process by providing customised solutions for chassis, peripheral equipment and trailers, as well as finance, insurance and comprehensive service agreements.

***Finnvedens Bil – Dealer of Volvo and Renault passenger cars***

Finnvedens Bil AB represents Volvo and Renault. The company sells new and used cars to customers in Värnamo and surrounding areas. The enterprise also comprises workshops, spare parts, financing, rental vehicle operations etc. The enterprise operates out of Värnamo where the main plant is located, as well as Gislaved and Smålandsstenar.

***Liljedahl Real Estate – Responsible for the Group's dwelling stock***

Liljedahl Real Estate owns, manages and develops the Liljedahl Group's properties. Tenants are primarily companies in the Group.

**Key events during the fiscal year**

No significant events occurred during the fiscal year.

**Key events after the close of the fiscal year**

No significant events occurred after the close of the fiscal year.

**Anticipated future development**

The Group is focusing intensively on developing the companies that currently comprise the Liljedahl Group. Favourable development opportunities exist for all companies.

**Financial instruments/financial risks**

Liljedahl Group's operations are exposed to a number of financial risks. There is an overall financial policy that gives the framework for the exposure in the metal trade, currencies, interest and liquidity as well as customer finance.

Raw material risks

The trade with raw materials, mainly copper within the Liljedahl Bare Wire and Liljedahl Winding Wire, is large. The price of the copper charged to the customer is set on the basis of the market price, which is, in turn based on the current price on the London Metal Exchange (LME). The total fluctuations in the price of copper are carried forward to the customers.

For pricing of copper and aluminium charged to the customers, as well as for valuations of unsold quantities, price hedging is made on the LME. This is handled by AB Elektrokoppar for all companies. Risk limits for each company are determined by the Board of Directors.

Profits in the Liljedahl Steel Wire are affected by changes in the price of steel. There are currently limited possibilities for steel price hedging which means that it follows the market price trends, and changes in price of steel can therefore have an effect on the net profit in conjunction with stock revaluations.

Currency risks

To minimise the effect of exchange rate fluctuations, purchase currencies are matched with selling currencies to the extent possible. For the portion of the Group's sale that are transacted in currencies other than the local currency, or the purchase currency, the Group uses currency clauses and currency forward contracts to minimise these effects.

The Group's foreign subsidiaries are financed in the relevant local currencies. The liquidity in different currencies is gathered into a shared cash pool.

Credit risks

In Finnvedens Lastvagnar and Finnvedens Bil, there is an exposure in the form of recourse liability for transferred leasing and instalment contracts. Security in the form of ownership rights and the right of repossession exists and careful monitoring of outstanding customer contracts in accordance with the companies' credit policy minimises this risk.

#### Depreciation risks

In Liljedahl Machine Tools, Finnvedens Lastvagnar and Finnvedens Bil, there are inventories of new, used and demonstration machines, trucks and cars, whose value can be exposed to a declining market price. Within each company, there are guidelines and policies for the maximum outstanding value in the aforementioned inventories. This is monitored continuously.

#### **Environmental impact**

The companies in Liljedahl Bare Wire are all certified in accordance with ISO 14001 environmental management system. In addition, AB Elektrokoppar is registered in accordance with EMAS (EU regulation no: 1836/93). AB Elektrokoppar runs an operation that requires a permit according to the Swedish Environmental Code. The environmental impact comes mainly from the smelting of copper.

The companies in the Liljedahl Winding Wire are certified according to the ISO 14001 environmental management system. AB Dahréntråd conducts operations requiring permits under the Swedish Environmental Code. The environmental impact comes mainly from the manufacture of enamelled copper and aluminium wire. The operation impacts the external environment through emissions of organic solvents into the air. These emissions are far below European directive limits.

Hörle Wire AB in Liljedahl Steel Wire conducts operations requiring a permit under the Swedish Environmental Code. The permit pertains to the manufacturing of pickled, galvanised and drawn wire at the company's facilities, where substances such as zinc, copper, tin and suspended substances are consumed. The operations impact the external environment through emissions to air and water. Hörle Wire AB is certified in accordance with the ISO 14001 environmental management system.

Finnvedens Lastvagnar and Finnvedens Bil conduct operations requiring permits according to the Swedish Environmental Code through their ownership of wash halls for cars and trucks, repair shops and fuel sales. Environmental impact occurs primarily through emissions to air and water.

No operational disruptions or abnormal incidents of significance to the external environment occurred during the fiscal year or after its close.

#### **Disposition earnings (SEK)**

##### *Parent Company*

Funds at the disposal of the Annual General Meeting:

Profit carried forward from the preceding year	641 652 312
Group contributions paid with deduction for spurious taxes	-4 143 414
Net profit for the year	-11 170 165

<b>Total</b>	<b>626 338 733</b>
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The Board of Directors and the President propose the available earnings be disposed:

To be distributed to shareholders	6 000 000
To be carried forward	620 338 733

<b>Total</b>	<b>626 338 733</b>
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**INCOME STATEMENTS**  
**(Thousands SEK)**

		<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>Note</b>	<b>2012</b>	<b>2011</b>	<b>Company</b>	<b>Company</b>
				<b>2012</b>	<b>2011</b>
Net sales	1	9 356 714	10 294 114	9 222	7 680
Change in inventories of products in progress and finished goods		-36 489	-25 261	-	-
Other operating revenue		58 623	67 029	1 427	1 397
<b>Operating revenue</b>		<b>9 378 848</b>	<b>10 335 882</b>	<b>10 649</b>	<b>9 077</b>
<i>Operating expenses</i>					
Raw material and goods for resale		-7 963 014	-8 785 280	-	-
Other external costs		-523 227	-528 875	-5 529	-6 297
Personnel costs	2	-664 782	-673 358	-10 454	-11 054
Amortisation of intangible assets	10	-27 234	-28 809	-	-
Depreciation of tangible assets	11	-86 058	-87 639	-97	-102
Other operating expenses		-27 858	-31 446	-22	-
<b>Operating profit/loss</b>	1,3	<b>86 675</b>	<b>200 475</b>	<b>-5 453</b>	<b>-8 376</b>
<i>Result from financial investments</i>					
Result from participations in Group companies	4	-	-	-2 000	82 393
Result from other shares and participations	5	-1 014	932	-3 000	-
Interest income and similar items	6	16 011	19 770	17 653	21 930
Interest expense and similar items	7	-40 545	-49 655	-5 691	-6 820
<b>Profit after financial items</b>		<b>61 127</b>	<b>171 522</b>	<b>1 509</b>	<b>89 127</b>
Appropriations	8	-	-	-6 251	-14 385
Tax on profit for the year	9	-8 936	-54 724	-6 428	-13 012
<b>NET PROFIT FOR THE YEAR</b>		<b>52 191</b>	<b>116 798</b>	<b>-11 170</b>	<b>61 730</b>

**BALANCE SHEET**  
**(Thousands SEK)**

ASSETS	Note	Group 2012-12-31	Group 2011-12-31	Parent Company 2012-12-31	Parent Company 2011-12-31
<b>Fixed assets</b>					
<i>Intangible assets</i>	10				
Goodwill		118 008	146 182	-	-
<b>Total intangible assets</b>		<b>118 008</b>	<b>146 182</b>	<b>-</b>	<b>-</b>
<i>Tangible assets</i>	11				
Land and buildings		388 814	406 399	-	-
Plant and machinery		250 915	242 463	-	-
Equipment, tools, fixtures and fittings		48 750	55 550	231	328
Rental vehicles		27 079	14 616	-	-
Construction in progress		2 350	23 881	-	-
<b>Total tangible assets</b>		<b>717 908</b>	<b>742 909</b>	<b>231</b>	<b>328</b>
<i>Financial assets</i>					
Shares in Group companies	12	-	-	615 469	615 469
Deferred tax assets		8 543	15 784	-	-
Other long-term receivables		2 845	1 324	-	-
Other long-term security holdings		7 573	10 572	7 000	10 000
<b>Total financial assets</b>		<b>18 961</b>	<b>27 680</b>	<b>622 469</b>	<b>625 469</b>
<b>Current assets</b>					
<i>Inventories etc.</i>					
Raw materials and consumables		161 263	142 985	-	-
Products in progress		45 186	60 809	-	-
Finished products and goods for resale		670 668	718 932	-	-
Advanced payment to suppliers		41 151	34 424	-	-
<b>Total inventories, etc.</b>		<b>918 268</b>	<b>957 150</b>	<b>-</b>	<b>-</b>
<i>Current receivables</i>					
Account receivable		843 495	823 212	-	-
Receivables from Group companies		-	-	248 866	758 792
Current tax assets		20 635	21 422	-	-
Other receivables		24 163	191 543	309	357
Prepaid expenses and accrued income	13	34 244	58 226	1 148	478
<b>Total current receivables</b>		<b>922 537</b>	<b>1 094 403</b>	<b>250 323</b>	<b>759 627</b>
<b>Cash and bank balance</b>		<b>135 231</b>	<b>17 706</b>	<b>119 656</b>	<b>2</b>
<b>TOTAL ASSETS</b>		<b>2 830 913</b>	<b>2 986 030</b>	<b>992 679</b>	<b>1 385 426</b>

**BALANCE SHEET**  
**(Thousands SEK)**

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	Group 2012-12-31	Group 2011-12-31	Parent Company 2012-12-31	Parent Company 2011-12-31
<b>Shareholders' equity</b>	14				
<i>/Restricted shareholders' equity</i>					
Share capital (2 000 000 shares)		100 000	100 000	100 000	100 000
Restricted reserves/Statutory reserve		186 463	162 869	8 000	8 000
<i>/Total restricted shareholders' equity</i>				<b>108 000</b>	<b>108 000</b>
<i>/Unrestricted shareholders' equity</i>					
Profit carried forward		767 656	683 949	637 509	589 922
Net profit for the year		52 191	116 798	-11 170	61 730
<i>/Total unrestricted shareholders' equity</i>				<b>626 339</b>	<b>651 652</b>
<b>Total shareholders' equity</b>		<b>1 106 310</b>	<b>1 063 616</b>	<b>734 339</b>	<b>759 652</b>
<b>Untaxed reserves</b>	8	-	-	<b>95 129</b>	<b>88 878</b>
<b>Liabilities</b>					
<i>Provisions</i>					
Provisions for pensions and similar commitments		160 211	164 264	1 000	803
Provisions for taxes		119 541	147 204	-	-
Other provisions	15	27 133	29 970	-	-
<i>Total provisions</i>		<b>306 885</b>	<b>341 438</b>	<b>1 000</b>	<b>803</b>
<i>Long-term liabilities</i>	16				
Liabilities to credit institutions		209 705	210 020	-	-
Other liabilities		11 788	12 406	-	-
<i>Total long-term liabilities</i>		<b>221 493</b>	<b>222 426</b>	<b>-</b>	<b>-</b>
<i>Current liabilities</i>					
Liabilities to credit institutions	19	476 071	605 575	-	255 127
Advanced payment from customers		172 409	105 888	-	-
Account payable		297 846	330 014	393	1 481
Liabilities to Group companies		-	-	154 775	260 991
Current tax liabilities		10 339	28 750	96	8 410
Other liabilities		60 098	103 964	4 355	7 835
Accrued expenses and deferred income	20	179 462	184 359	2 592	2 249
<i>Total current liabilities</i>		<b>1 196 225</b>	<b>1 358 550</b>	<b>162 211</b>	<b>536 093</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2 830 913</b>	<b>2 986 030</b>	<b>992 679</b>	<b>1 385 426</b>
<b>PLEDGED ASSETS</b>	17	<b>1 408 707</b>	<b>1 260 142</b>	<b>-</b>	<b>-</b>
<b>CONTINGENT LIABILITIES</b>	18	<b>19 463</b>	<b>35 943</b>	<b>527 680</b>	<b>420 328</b>

**CASH-FLOW STATEMENT**  
**(Thousands SEK)**

	<b>Group 2012</b>	<b>Group 2011</b>	<b>Parent Company 2012</b>	<b>Parent Company 2011</b>
<b>Operating activities</b>				
Profit after financial items	61 127	171 522	1 509	89 127
Adjustments for non-cash items, etc.				
- depreciation, excluding rental vehicles	109 742	113 347	97	102
- gain/loss from sale of fixed assets	-577	-2 183	-	-
- increase/decrease of reserve	-5 324	3 809	197	170
- unpaid dividend /Group contribution	-	-	2 000	-82 393
- other items	426	9 134	3 000	-
Paid tax	-43 426	-70 358	-13 263	-12 686
<b>Cash-flow from operating activities before changes in working capital</b>	<b>121 968</b>	<b>225 271</b>	<b>-6 460</b>	<b>-5 680</b>
<b>Acquisition, sale and depreciation of rental vehicles</b>	<b>-16 656</b>	<b>-2 441</b>	<b>-</b>	<b>-</b>
<i>Cash flow from changes in working capital</i>				
Increase (-)/decrease (+) in inventories	41 917	-59 877	-	-
Increase (-)/decrease (+) in current receivables	174 825	231 752	-622	-453
Increase (+)/decrease (-) in current liabilities	-102 225	-263 761	-219 352	3 410
<b>Total changes in working capital</b>	<b>114 517</b>	<b>-91 886</b>	<b>-219 974</b>	<b>2 957</b>
<b>Cash flow from operating activities</b>	<b>219 829</b>	<b>130 944</b>	<b>-226 434</b>	<b>-2 723</b>
<b>Investing activities</b>				
Acquisition of other tangible assets	-50 656	-74 321	-	-207
Sale of other tangible assets	277	2 615	-	-
Changes in financial assets	-1 313	1 686	-	-
<b>Cash flow from investing activities</b>	<b>-51 692</b>	<b>-70 020</b>	<b>-</b>	<b>-207</b>
<b>Financing activities</b>				
Change in long-term liabilities to credit institutions	-40 062	-49 979	-40 000	-58 004
Inter-company transactions	-	-	396 088	70 934
Dividends paid	-10 000	-10 000	-10 000	-10 000
<b>Cash flow from financing activities</b>	<b>-50 062</b>	<b>-59 979</b>	<b>346 088</b>	<b>2 930</b>
<b>Cash flow for the year</b>	<b>118 075</b>	<b>945</b>	<b>119 654</b>	<b>0</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17 706</b>	<b>17 048</b>	<b>2</b>	<b>2</b>
Exchange-rate differences in cash and cash equivalents	-550	-287	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>135 231</b>	<b>17 706</b>	<b>119 656</b>	<b>2</b>



## NOTES TO THE ACCOUNTS

### **Accounting principles**

The annual report has been prepared in accordance with the Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board. In cases where no general recommendation of the Accounting Standards Board exists, the recommendations of the Swedish Financial Accounting Standards Council have been used for guidance.

### **Consolidated accounts**

The consolidated accounts have been prepared in accordance with the purchase method, whereby subsidiaries' shareholders' equity at the time of their acquisition, determined as the difference between the fair values of assets and liabilities, is eliminated in its entirety. Consequently, the consolidated shareholders' equity includes only the portions of subsidiaries' shareholders' equity that arose after their acquisition. Foreign subsidiaries have been translated in accordance with the current method.

### **Revenue**

Revenue is recognised when the risks connected to ownership of the goods are transferred to the buyer. In cases of official business, revenue recognition occurred in the period when work was concluded and material delivered or consumed.

### **Receivables and liabilities in foreign currency**

Receivables and liabilities in foreign currencies have been valued at the year-end rate, and unrealised exchange-rate gains and losses are included in earnings. Hedged receivables and liabilities have been valued at the contracted forward rate.

Exchange-rate differences referring to on-going business operations have been credited/charged to operating profit, while exchange-rate differences of a financial nature have been recognized under financial income and expenses.

### **Financial instruments**

The Group's financial instruments have been valued at their acquisition value. If a valuation of entered metal and currency contract should be made at fair value, this would result in a positive effect on the result of 7.2 MSEK per December 31, 2012.

### **Inventories**

Inventories have been valued at the lower of their acquisition value and net sale value.

### **Fixed assets**

Assets are recognised at their acquisition cost less accumulated depreciation/amortisation according to plan. Depreciation/amortisation according to plan is based on the assets' original acquisition values and estimated periods of use.

The following depreciation/amortisation periods have been used:

Goodwill	5-20 years
Buildings	20-50 years
Plant and machinery	3-20 years
Equipment, tools and fixtures and fittings	3-10 years

For rental vehicles, depreciation is adjusted to reflect the age and period of use of each unit.

### **Provisions**

Provisions are recognised in the balance sheets when the companies have a commitment resulting from an incident and it is probable that an outflow of resources will be required to regulate the commitment and that a reliable assessment of the amount can be made.

### **Provisions for pensions and similar commitments**

The pension obligations of the Group's foreign subsidiaries are recognised in the Group's Annual Report as they are reported by the local subsidiaries.

### **Other assets and liabilities**

Other assets and liabilities are recognised at their acquisition value.

### **Taxes**

The Group's total tax expense consists of current tax and deferred tax. Current tax is tax that is paid or received in the current year. This includes any adjustment of current tax attributable to prior periods. Deferred tax is based on temporary differences between reported values and the values for tax purposes of assets and liabilities.

The consolidated income statement shows taxes as if the companies in the Group had been considered as separate taxable legal entities in accordance with current tax legislation.

The consolidated balance sheet presents individual companies' untaxed reserves divided into shareholders' equity and deferred tax liability.

## **NOTES**

All amounts are in thousand SEK unless otherwise indicated. The amounts in parentheses refer to the preceding year.

### **Note 1 Purchasing and sales**

The Group's net sales were SEK 9 357 M (10 294), of which distributed by division: Liljedahl Bare Wire SEK 3 731 M (4 669), Liljedahl Winding Wire SEK 3 421 M (3 252), Liljedahl Steel Wire SEK 315 M (294), Liljedahl Machine Tools SEK 827 M (807), Finnvedens Lastvagnar SEK 791 M (952), Finnvedens Bil SEK 269 M (317), Liljedahl Real Estate SEK 3 M (3).

Parent Company: of the year's total purchasing and sales, 0% (0) of purchases and 100% (100) of sales refer to flows from/ to other companies within the Group to which the company belongs.

### **Note 2 Personnel**

AVERAGE NUMBER OF EMPLOYEES	Number of employees 2012	Of which are men 2012	Number of employees 2011	Of which are men 2011
Parent Company	8	4	8	4
Subsidiaries	1 202	1 055	1 187	1 051
<b>TOTAL GROUP</b>	<b>1 210</b>	<b>1 059</b>	<b>1 195</b>	<b>1 055</b>
GROUP MANAGEMENT	Number of persons 2012	Of which are men 2012	Number of persons 2011	Of which are men 2011
Parent Company				
Board of Directors	6	5	4	4
President and other executives	1	1	2	2
Subsidiaries				
Board of Directors	29	27	27	26
Managing Directors and other executives	44	36	48	43

WAGES, SALARIES AND OTHER REMUNERATION	Board, President and Managing Directors <sup>1)</sup> 2012	Other employees 2012	Board, President and Managing Directors <sup>1)</sup> 2011	Other employees 2011
Parent Company	1 434	5 121	1 391	4 727
Subsidiaries	13 956	452 191	12 768	449 663
<b>TOTAL GROUP</b>	<b>15 390</b>	<b>457 312</b>	<b>14 159</b>	<b>454 390</b>

<sup>1)</sup> Includes current and previous Board members, as well as current and previous Managing Directors.

WAGES, SALARIES AND OTHER REMUNERATION (continued)	Wages, salaries and other remuneration 2012	Social security expenses 2012	Of which are pension expenses 2012	Wages, salaries and other remuneration 2011	Social security expenses 2011	Of which are pension expenses 2011
Parent Company	6 555	3 512	1 081	6 118	3 673	1 309
Subsidiaries	466 147	168 424	36 535	462 431	180 253	59 024
<b>TOTAL GROUP</b>	<b>472 702</b>	<b>171 936</b>	<b>37 616</b>	<b>468 549</b>	<b>183 926</b>	<b>60 333</b>

Of the Parent Company's pension expenses, 226 (378) refer to the Board of Directors and the President.

Of the Group's pension expenses, 4 903 (4 368) refer to the Group's Board of Directors, the President and Managing Directors.

Social security and pension expenses include 0 (12 025) which pertain to the changes in the PRI liability for previous years due to changed longevity presumptions.

### Note 3 Auditors' fees and expense remuneration

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Ernst & Young AB				
Audit assignments	1 856	2 280	130	129
Other assignments	284	403	118	99
Pricewaterhouse Coopers				
Other assignments	245	116	-	-
Audit Partners Alliance (APA)				
Audit assignments	44	45	-	-
Other audit companies				
Audit assignments	13	14	-	-
<b>Total</b>	<b>2 442</b>	<b>2 858</b>	<b>248</b>	<b>228</b>

#### Note 4 Result from participations in Group companies

	Parent Company 2012	Parent Company 2011
Anticipated dividend from subsidiaries	155 000	241 000
Impairment of shares in subsidiaries	-180 000	-214 100
Group contribution	23 000	55 493
<b>Total</b>	<b>-2 000</b>	<b>82 393</b>

#### Note 5 Result from other shares and participations

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Dividend	1 986	932	-	-
Impairment of shares	-3 000	-	-3 000	-
<b>Total</b>	<b>-1 014</b>	<b>932</b>	<b>-3 000</b>	<b>-</b>

#### Note 6 Interest income and similar items

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Interest	15 407	13 865	17 653	21 732
Exchange-rate differences	604	5 905	-	198
<b>Total</b>	<b>16 011</b>	<b>19 770</b>	<b>17 653</b>	<b>21 930</b>

Parent Company: revenue from Group companies amounts to 17 653 (21 732).

#### Note 7 Interest expense and similar items

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Interest	-35 744	-41 931	-5 681	-6 820
Exchange-rate differences	-4 801	-7 724	-10	-
<b>Total</b>	<b>-40 545</b>	<b>-49 655</b>	<b>-5 691</b>	<b>-6 820</b>

Parent Company: no expenses pertain to Group companies.

## Note 8 Appropriations and untaxed reserves

	Parent Company 2012	Parent Company 2011
<b>Appropriations</b>		
Changes in tax allocation reserve	-6 273	-14 380
Difference between book depreciation and depreciation according to plan	22	-5
<b>Total</b>	<b>-6 251</b>	<b>-14 385</b>
<b>Untaxed reserves</b>		
Tax allocation reserve	95 082	88 809
Accumulated depreciation in excess of plan	47	69
<b>Total</b>	<b>95 129</b>	<b>88 878</b>

## Note 9 Taxes

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
<b>Tax on profit for the year</b>				
Current tax	-26 109	-55 462	-4 950	-11 347
Deferred tax	3 043	738	-1 478	-1 665
Adjustment of deferred tax due to changed tax rate	14 130	-	-	-
<b>Total tax on profit for the year</b>	<b>-8 936</b>	<b>-54 724</b>	<b>-6 428</b>	<b>-13 012</b>

## Note 10 Intangible assets

	Goodwill Group
Opening acquisition values	470 006
Acquisitions for the year	-
Translation differences	-2 164
<b>Closing accumulated acquisition values</b>	<b>467 842</b>
Opening amortisation	-323 824
Amortisation for the year	-27 234
Translation differences	1 224
<b>Closing accumulated amortisation</b>	<b>-349 834</b>
<b>CARRYING AMOUNT</b>	<b>118 008</b>
During the preceding fiscal year, the following amount was recognised, regarding:	
Amortisation	-28 809

**Note 11 Tangible assets**

GROUP	Land and buildings <sup>1)</sup>	Plants and machinery	Equipment, tools, fixtures and fittings	Rental vehicles	Total
Opening acquisition values	446 473	1 155 998	247 719	24 664	1 874 854
Investments	3 074	57 212	11 519	26 107	97 912
Sales/ disposals	-	-3 051	-6 993	-16 209	-26 253
Translation differences	-3 568	-5 613	-1 089	-	-10 270
<b>Closing accumulated acquisition values</b>	<b>445 979</b>	<b>1 204 546</b>	<b>251 156</b>	<b>34 562</b>	<b>1 936 243</b>
Opening depreciation	-114 860	-913 535	-192 169	-10 048	-1 230 612
Sales/ disposals	-	2 890	4 055	7 348	14 293
Depreciation for the year	-13 836	-48 192	-15 241	-4 783	-82 052
Translation differences	751	5 206	949	-	6 906
<b>Closing accumulated depreciation</b>	<b>-127 945</b>	<b>-953 631</b>	<b>-202 406</b>	<b>-7 483</b>	<b>-1 291 465</b>
Opening revaluations	74 786	-	-	-	74 786
Revaluations for the year	-	-	-	-	-
Depreciation for the year on revalued amount	-4 006	-	-	-	-4 006
<b>Closing accumulated revaluation</b>	<b>70 780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70 780</b>
<b>CARRYING AMOUNT</b>	<b>388 814</b>	<b>250 915</b>	<b>48 750</b>	<b>27 079</b>	<b>715 558</b>
During the preceding fiscal year, the following amounts were recognised, regarding:					
Depreciation	-12 855	-50 756	-16 920	-3 101	-83 632

<sup>1)</sup> Residual value according to plan for land amounts to 59 704 (60 384).

PARENT COMPANY	Equipment, tools, fixtures and fittings
Opening acquisition values	1 317
Investments	-
Sales/ disposals	-
<b>Closing accumulated acquisition values</b>	<b>1 317</b>
Opening depreciation	-989
Depreciation for the year	-97
Sales/ disposals	-
<b>Closing accumulated depreciation</b>	<b>-1 086</b>
<b>CARRYING AMOUNT</b>	<b>231</b>
During the preceding fiscal year, the following amount was recognised, regarding:	
Depreciation	-102

**Note 12 Shares and participations in subsidiaries**

	<b>Corp. ID No.</b>	<b>Registered office</b>	<b>No. of shares</b>	<b>HOLDINGS Shares of equity (% of voting power)</b>	<b>VALUE OF HOLDINGS Book value 2012-12-31</b>	<b>Book value 2011-12-31</b>
Liljedahl Bare Wire AB	556840-5871	Värnamo	1 000	100 (100)	214 200	214 200
AB Elektrokoppar	556027-2055	Helsingborg	-	100 (100)	-	-
Liljedahl Wire (Taicang) Co. Ltd., China	320585400000019	Taicang	-	100 (100)	-	-
Liljedahl Winding Wire AB	556529-5333	Värnamo	4 670 450	100 (100)	305 817	305 817
AB Dahréntråd	556058-7197	Essunga	-	100 (100)	-	-
Isodraht GmbH	HRA 7068	Mannheim	-	100 (100)	-	-
LWW Slaska Sp. z o.o., Poland	KRS 92252	Czechowice- Dziedzice	-	100 (100)	-	-
Liljedahl Steel Wire AB	556839-3697	Värnamo	1 000	100 (100)	100	100
Hörle Wire AB	556097-5871	Värnamo	120 000	100 (100)	-	-
Hörle Wire s.r.o., Slovakia	36 292 818	Nitra	-	100 (100)	-	-
Liljedahl Machine Tools AB	556610-9301	Värnamo	1 200	100 (100)	75 232	75 232
Ravema AB	556044-9786	Värnamo	175 000	100 (100)	-	-
Ravema AS, Norway	975 809 617	Oslo	-	100 (100)	-	-
Ravema Oy, Finland	2158950-4	Tammerfors	-	100 (100)	-	-
Din Maskin i Värnamo AB	556470-5282	Värnamo	-	100 (100)	-	-
Din Maskin AS, Norway	961 772 230	Saetre	30 000	100 (100)	-	-
Finnvedens Lastvagnar AB	556055-6515	Jönköping	50 000	100 (100)	8 806	8 806
HGL Bil AB	556061-4538	Jönköping	-	100 (100)	-	-
Finnvedens Bil AB	556008-7453	Värnamo	2 000	100 (100)	2 000	2 000
Liljedahl Group Fastighets AB	556065-5424	Värnamo	1 500	100 (100)	9 314	9 314
Liljedahls Fastigheter nr 1 KB	969646-0568	Värnamo	1	100 (100)	0	0
Liljedahls Fastigheter nr 2 KB	969646-0873	Värnamo	1	100 (100)	0	0
Liljedahls Fastigheter nr 3 KB	969646-1152	Värnamo	1	100 (100)	0	0
<b>Total</b>					<b>615 469</b>	<b>615 469</b>

During the year, shareholders' contributions have been submitted to Liljedahl Bare Wire AB in the amount of 180 000. Impairment of shares has been made with equivalent amount.

**Note 13 Prepaid expenses and accrued income**

	<b>Group 2012</b>	<b>Group 2011</b>	<b>Parent Company 2012</b>	<b>Parent Company 2011</b>
Prepaid rent	5 822	7 586	48	55
Prepaid insurance	1 848	1 108	-	-
Accrued interest income	846	613	-	-
Accrued bonus revenue	6 555	7 247	-	-
Other items	19 173	41 672	1 100	423
<b>Total</b>	<b>34 244</b>	<b>58 226</b>	<b>1 148</b>	<b>478</b>

**Note 14 Change in shareholders' equity**

GROUP	Share capital	Restricted reserves	Unrestricted reserves
Amount at beginning of the year	100 000	162 869	800 747
Dividend		-	-10 000
Adjustment due to changed tax rate		3 305	-
Adjustment between unrestricted and restricted shareholders' equity		21 747	-21 747
Currency translation on inter-company transactions		-	-464
Translation difference for the year		-1 458	-880
Net profit for the year		-	52 191
<b>AMOUNT AT THE END OF THE YEAR</b>	<b>100 000</b>	<b>186 463</b>	<b>819 847</b>

  

PARENT COMPANY	Share capital	Statutory reserve	Unrestricted equity
Amount at beginning of the year	100 000	8 000	651 652
Group contributions paid with deduction for spurious taxes			-4 143
Dividend			-10 000
Net profit for the year			-11 170
<b>AMOUNT AT THE END OF THE YEAR</b>	<b>100 000</b>	<b>8 000</b>	<b>626 339</b>

**Note 15 Other provisions**

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Other provisions consist of the following sub-items:				
Guarantee commitments	14 677	15 323	-	-
Unapproved deliveries	260	197	-	-
Other provisions	12 196	14 450	-	-
<b>Total</b>	<b>27 133</b>	<b>29 970</b>	<b>-</b>	<b>-</b>

**Note 16 Long-term liabilities**

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Debts that mature later than five years after the closing date	139 938	153 279	-	-



**Note 17 Pledged assets**

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Property mortgages	313 818	315 458	-	-
Chattel mortgages	636 600	656 600	-	-
Rental vehicles	13 208	8 093	-	-
Instalment-plan receivables	414	17 076	-	-
Tangible assets	18 154	15 995	-	-
Inventories	141 195	106 274	-	-
Accounts receivable	285 318	140 646	-	-
<b>Total</b>	<b>1 408 707</b>	<b>1 260 142</b>	<b>-</b>	<b>-</b>

**Note 18 Contingent liabilities**

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Surety commitment on behalf of subsidiaries	-	-	447 749	309 384
Guarantee commitments	19 463	35 943	20	16
Guarantee commitments on behalf of subsidiaries	-	-	79 911	110 928
<b>Total</b>	<b>19 463</b>	<b>35 943</b>	<b>527 680</b>	<b>420 328</b>

**Note 19 Liabilities to credit institutions**

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
<b>Overdraft facility</b>				
Amount granted	867 217	817 338	460 000	500 000
Amount utilised	241 208	436 994	-	215 127
<b>Invoice factoring credit</b>				
Amount granted	519 419	535 000	-	-
Amount utilised	180 635	77 000	-	-

**Note 20 Accrued expenses and prepaid income**

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Salary and holiday pay liabilities	64 958	62 744	890	784
Social security fees	42 727	43 934	438	963
Accrued interest	-	42	-	-
Additional expenses for sold vehicles	4 280	6 093	-	-
Accrued costs for LME broker pertaining to metal hedging	-	3 590	-	-
Other items	67 497	67 956	1 264	502
<b>Total</b>	<b>179 462</b>	<b>184 359</b>	<b>2 592</b>	<b>2 249</b>

Värnamo 9 April 2013

\_\_\_\_\_  
Stig Arne Blom  
Chairman of the Board

\_\_\_\_\_  
Anna Liljedahl

\_\_\_\_\_  
Fredrik Liljedahl

\_\_\_\_\_  
Sven A Olsson

\_\_\_\_\_  
Anders Paulsson

\_\_\_\_\_  
Bengt Liljedahl  
President  
Member of the Board

My audit report has been submitted this day of 9 April 2013

\_\_\_\_\_  
Stefan Engdahl  
Authorized Accountant