

2013

ANNUAL REPORT – LEAX GROUP



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2013 AT A GLANCE

GENERAL INFORMATION ABOUT THE OPERATIONS

Group

LEAX has during 2013 experienced the best year in its history in terms of sales. The achievement was based on a strong development within LEAX largest segment, heavy commercial vehicles, driven by the pre-buy effect of Euro V which occurred during the autumn 2013 due to the launch of Euro VI in 2014. The trend within mining and construction industries has during the year being relative neutral and the general industry has seen a positive trend. The market development within LEAX segments varies between different geographical areas in the world.

During the year LEAX has strengthen its market position thorough business acquisitions in Sweden, Germany, Hungary and China. New business in existing companies has also been signed. LEAX has also through continuous improvement in quality, delivery reliability and productivity strengthened the market position. Further investments in heat treatment, advanced machining and increased automation put LEAX in a position as a leading European supplier in selected segments.

The platform has also been laid for a strong development in South America, Russia and Asia. A broad product portfolio combined with global presence will enable LEAX to develop in line with the vision decided by the board.

The Group consists of twelve operating companies that autonomously develop and operate the business. Cooperation exists largely to realize synergies between the companies.

The Group is managed through four business areas - Western Europe, Eastern Europe, Propellershaft and Telecom and four supporting functions - Commercial, Operations/LIS, CFO and M&A. The CEO reports to the LEAX Group board. The board consists of external independent members elected by the shareholders of LEAX Group AB.

Important events during the financial year

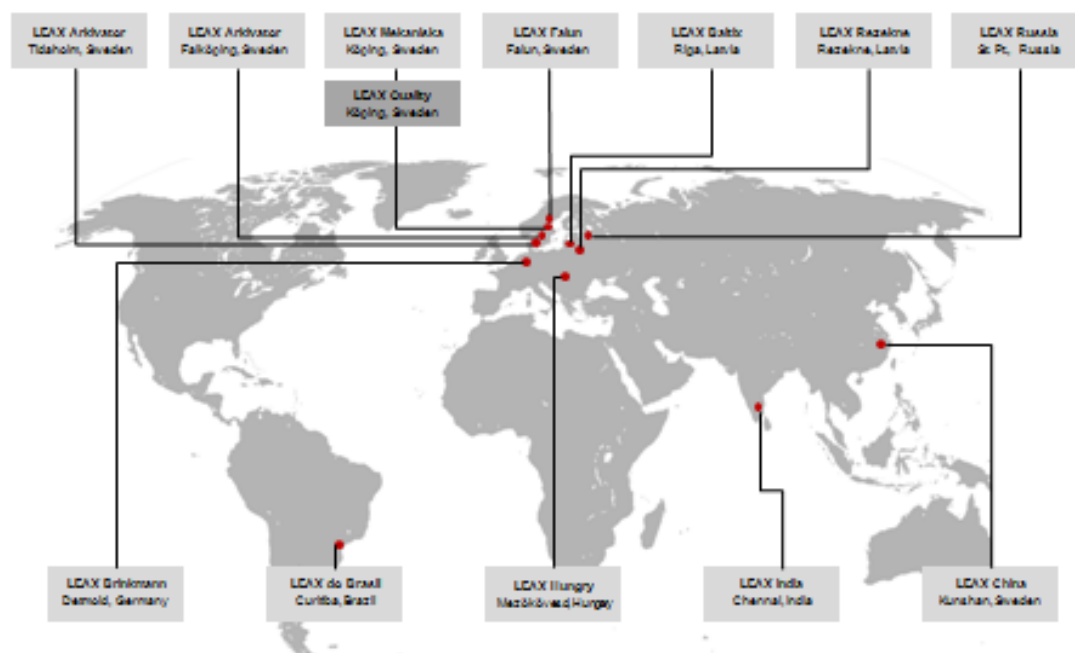
During 2013 LEAX acquired business in Germany, LEAX Brinkmann GmbH, and in Sweden, via the new established company Gofer Holding AB, which acquired the business in Arkivator group in Hungary (LEAX Hungary Zrt), China (LEAX Industry (Kunshan)) and the assets in Sweden via the newly formed companies LEAX Arkivator Sweden AB and LEAX Arkivator Telecom AB. LEAX has also during the year registered a company in India, LEAX India Private Limited.

During the year LEAX has increased ownership in the associated companies Swedish Powertrain AB and in Swedish Powertrain Tech Center AB, to 50 % in each company.

Parent company

The Parent company is a holding company owning shares in the companies of the group and other financial assets.

LEAX Group's Global Production Network



FINANCIAL OVERVIEW

The Group's net sales in 2013 amounted to MSEK 1072 compared with MSEK 786 in 2012. Consolidated profit after financial items for the year 2012 amounted to MSEK 15 (MSEK 36 in 2012). Earnings are impacted with write down of financial assets MSEK 17, extra capacity costs to meet the continued expansion of the Group 10 MSEK and increased interest cost 3 MSEK due to increased debt financing from the acquisitions made during the year. The equity to assets ratio at end of December 2013 was 20% compared to 40% in 2012.

During the year, the Group increased the rate of investment driven by fixed assets for new business deals and fixed assets and inventories in acquired companies. Total investments in tangible fixed assets amounted to MSEK 216 (MSEK 66 in 2012).

Group (SEK million)	13-12-31	12-12-31	11-12-31	10-12-31	09-12-31
Turnover	1072	786	870	749	425
Profit/loss after financial items	15	36	87	98	-20
Equity/assets ratio %	20	40	39	35	22

FUTURE DEVELOPMENT EXPECTATIONS

LEAX is well prepared to handle fluctuation in demand from existing and new customers. The market development in 2014 is difficult to predict but LEAX Group will however grow due to acquired companies and new business deals.

The long term objective of the group is profitable growth combined with a balanced capital structure. Leax will expand the global presence and increase market shares in new and existing markets through organic growth, acquisitions and green field establishments.

ENVIRONMENT INFORMATION

LEAX Group manages activities according to Swedish legislation for four subsidiaries, according to Latvian legislation for two subsidiaries, according to Hungarian legislation in one subsidiary, according to Brazilian legislation in one subsidiary and according to Chinese legislation in one subsidiary. The LEAX Group's permits has impact on the environment through its subsidiaries LEAX Falun AB (Falun, Sweden), LEAX Mekaniska AB (Köping, Sweden), LEAX Arkivator Sweden AB (Falköping/Tidaholm, Sweden), Leax Arkivator Telecom AB (Gothenburg, Sweden), LEAX Baltix SIA (Riga, Latvia), LEAX Rezekne SIA (Rezekne, Latvia), Leax Hungary Zrt. (Mezőkövesd, Hungary), LEAX do Brasil Ltd. (Curitiba, Brazil) and Leax Industry (Kunshan, China). The companies operate in different scale machining, painting, heat treatment and assembly which affect the external environment through air emissions in form of; transportation to and from the production sites; waste as e.g. metal chips, scrap, oily liquids and through noise. Through LEAX Group Environmental Management System we are working with continuous improvements to reduce our impact on the Environment.

SUGGESTION FOR APPROPRIATION OF THE COMPANY'S PROFIT

The Board of Directors and the CEO recommend that the profit/loss and brought forward profits available for appropriation amounting to SEK 52 888 076 are allocated as follows:

Amount in SEK

Balanced in a new account	52 888 076
Total	52 888 076

As to the company's result and financial standing in all other respects, please refer to the profit and loss account and balance sheet below with their respective comments.



INCOME STATEMENT

Amounts in SEK thousand	Note	Group 13-12-31	Group 12-12-31	Parent 13-12-31	Parent 12-12-31
Operating Income					
Net turnover	1	1 072 502	786 799	-	-
Change of inventory		14 868	3 258	-	-
Activated work for own account		-	10	-	-
Other operating income	2	13 539	9 429	1 493	-
		1 100 909	799 496	1 493	-
Operating Costs					
Raw materials and consumables	3	-587 914	-451 181	-	-
Other external costs	4	-148 158	-83 038	-330	-71
Staff costs	5	-254 330	-171 503	-	-
Depreciation of tangible fixed assets	6	-55 956	-42 040	-	-
Other operating costs	7	-7 556	11 903	-171	-416
Operating profit/loss		46 995	39 831	992	-487
Financial items					
Income from shares in Group companies	9	-	-	18 982	35 258
Capital gains/losses on fixed assets	8	-14 422	1 981	-14 422	1 981
Interest income and other financial income		2 817	1 214	9 331	8 882
Interest costs and other financial cost	10	-20 735	-7 431	-4 351	-3 536
Profit after financial items		14 655	35 595	10 532	42 098
Appropriations		-	-	-2 098	-640
Group contribution		-	-	3 000	-
Profit before tax		14 655	35 595	11 434	41 458
Tax on profit for the year	12	-2 338	-116	-1 515	-977
Minority owner's share in net income for the year		-1 412	-321	-	-
Profit for the year		10 905	35 158	9 919	40 481

BALANCE SHEET

Amounts in SEK thousand	Note	Group 13-12-31	Group 12-12-31	Parent 13-12-31	Parent 12-12-31
Assets					
Intangible Assets					
Capitalized expenditure for development and similar	13	7 810	-	-	-
Goodwill	14	1 440	-	-	-
		9 250			
Fixed Assets					
Tangible fixed assets					
Land and buildings	15	39 606	-	-	-
Cost on properties of external parties	16	1 241	2 329	-	-
Machinery and other techn. facilities	17	488 738	306 025	-	-
Equipment, tools and installations	18	16 797	6 003	-	-
Total tangible fixed assets		546 382	314 357	-	-
Financial assets					
Shares in Group companies	19	-	-	114 427	38 834
Shares in associated companies	20	7 899	7 681	7 899	7 681
Receivables from Group companies		-	-	97 434	17 202
Other long-term securities holdings	21	3 508	18 167	2 143	16 916
Other long-term receivables		2 869	2 677	-	-
Total financial assets		14 276	28 525	221 903	80 633
Total fixed assets		569 908	342 882	221 903	80 633
Current assets					
Inventories, etc.					
Raw materials and consumables		100 815	34 168	-	-
Goods in process		40 129	12 641	-	-
Finished goods		66 673	22 305	-	-
Ongoing work on contract		2 054	945	-	-
Advance payments to suppliers		3 150	-	-	-
Total inventories, etc.		212 821	70 059	-	-
Current receivables					
Accounts receivable		228 110	101 948	-	-
Receivables from Group companies		-	-	49 363	81 229
Other receivables		10 745	8 207	1	4 200
Prepaid costs and accrued income	22	11 332	6 469	813	100
Total current receivables		250 187	116 624	50 177	85 529
Current financial assets					
Cash and cash equivalents	23	2 667	-	2 457	-
		10 209	2 640	62	511
Total current assets		475 884	189 323	52 696	86 040
Total assets		1 045 792	532 205	274 599	166 673

Amounts in SEK thousand	Note	Group 13-12-31	Group 12-12-31	Parent 13-12-31	Parent 12-12-31
Shareholders equity and liabilities					
Equity					
Share capital	24	1 008	1 008	1 008	1 008
Reserves		47 607	54 352	2 011	2 011
Total restricted equity		48 615	55 360	3 019	3 019
Profit and losses carried forward		148 170	126 819	42 969	22 638
Profit for the year		10 905	35 158	9 919	40 481
Total non-restricted equity		159 075	161 977	52 888	63 119
Total equity		207 690	217 337	55 907	66 138
Minority Interests		4 581	3 807	-	-
Tax allocation reserves		-	-	3 452	1 354
Untaxed reserves		-	-	3 452	1 354
Provisions					
Provisions for deferred tax	28	25 615	27 494	-	-
Negative goodwill		6 930	-	-	-
Long-term liabilities					
Bank overdraft facility	26,29	176 675	102 532	139 746	96 805
Other liabilities to credit institutions	25,26	270 544	45 557	49 200	-
Total long-term liabilities		447 219	148 089	188 946	96 805
Current liabilities					
Liabilities to Group companies		-	-	9 500	1521
Liabilities to credit institutions	29	93 061	25 557	12 800	-
Advance payment from customers		1 738	-	-	-
Accounts payable		179 535	59 704	-	-
Income tax liabilities		3 854	13 434	1 169	790
Other current liabilities		30 764	8 847	2 500	-
Accrued costs and deferred income	27	44 805	27 936	325	65
Total current liabilities		353 757	135 478	26 294	2 376
Total liabilities		800 976	283 567	215 240	99 181
Total shareholder´s equity and liabilities		1 045 792	532 205	274 599	166 673

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Amounts in SEK thousand	Group 2013-12-31	Group 2012-12-31
<i>Collateral pledged for liabilities and provisions</i>		
Floating charges	304 478	149 183
Assets with reservation of title	153 645	99 128
Total	458 123	248 311
<i>Contingent liabilities</i>	<i>None</i>	<i>None</i>

STATEMENT OF CASH FLOW

Amounts in SEK thousand	Group 13-12-31	Group 12-12-31	Parent 13-12-31	Parent 12-12-31
Current operations				
Profit after financial items	14 655	35 595	10 532	42 098
Adjustments for items not included in the cash flow	82 012	42 118	17 088	513
Paid taxes	-14 901	-6 827	-1 143	-349
Cash flow from operations before changes in working capital	81 766	70 886	26 477	42 262
<i>Cash flow from changes in working capital</i>				
Increase (-) / Decrease (+) in inventories	-59 565	3 523	-	-
Increase (-) / Decrease (+) in receivables	-91 554	11 683	35 352	-15 958
Increase (-) / Decrease (+) in liabilities	64 517	-21 206	11 118	-650
Cash flow from operations	-4 836	64 889	72 947	25 654
Investment Operations				
Acquisitions of subsidiaries	-96 813	-11 621	-138 795	-11 621
Acquisition of associated companies	-	-5 001	-	-
Acquisition of intangible assets	-2 264	-	-	-
Acquisitions of fixed tangible assets	-111 631	-51 669	-	-
Acquisition of fixed financial assets	-2 475	-2 358	-2 475	-7 526
Disposal of fixed financial assets	-	5 034	-16 917	5 034
Investment in current financial assets	-2 667	-	-	-
Cash flow from investing activities	-215 850	-65 645	-158 187	-14 113
Financing operations				
New loans	306 877	49 968	104 941	18 944
Amortization of loans	-58 472	-32 257	-	-
Paid dividends	-20 150	-29 970	-20 150	-29 974
Cash flow from financing activities	228 255	-12 259	84 791	-11 030
Cash flow for the year	7 569	-13 018	-449	511
Cash beginning of the year	2 640	15 658	511	-
Cash end of the year	10 209	2 640	62	511

ADDITIONAL NOTES TO THE CASH FLOW STATEMENT

Amounts in SEK thousand	Group 13-12-31	Group 12-12-31	Parent 13-12-31	Parent 12-12-31
Interest Paid and Received				
Interest received	2 817	1 214	9 331	8 882
Interest paid	-12 239	-7 431	-4 356	-3 536
Adjustments for item not included in the cash flow etc.				
Depreciation and write-down of fixed assets	55 956	42 040	-	-
Unrealized exchange rate differences	8 496	984	171	547
Gain on disposal of fixed assets	272	-1 699	-	-
Write-down of financial fixed assets	16 917	-	16 917	-
Conversion differences	371	793	-	-
Total	82 012	42 118	17 088	547

ACCOUNTING PRINCIPLES

(Amount in TSEK, unless otherwise specified)

GENERAL ACCOUNTING PRINCIPLES

This financial report has been prepared in accordance with the Swedish Annual Accounts Act and the standards issued by the Swedish Accounting Standards Board with the exception of leasing reports where recommendation no. 6:99 of the Swedish Financial Accounting Standards Council has been applied.

VALUATION PRINCIPLES ETC.

Assets, provisions and liabilities have been valued at the purchase value unless otherwise stated below.

INTANGIBLE ASSETS

Expenses for developing new or improved products or processes are reported as an asset in the balance sheet if the product or the process is technical and commercial useful and if the company has sufficient resources to fulfill the development and thereafter use or sell the intangible asset. The reported value includes expenses for direct material, direct staff cost and indirect expenses which can be related to the asset in a reliable manner. Other expenses for development are reported as cost when they occur. Intangible fixed assets are reported at acquisition value decreased by depreciation and write downs.

Other intangible assets which have been acquired are reported at acquisition value decreased by depreciation and write downs.

Additional expenses for intangible assets increase the acquisition value only if the economical benefit exceeds the original estimate and the expenses can be calculated in a reliable manner.

Depreciation of intangible assets is based on the straight-line method and starts when the product enter serial production mode.

TANGIBLE ASSETS

Tangible fixed assets are reported as an asset in the balance sheet when judging from the available information they are likely to result in future financial benefits associated with the

group/company's holdings and when the acquisition value of the asset can be calculated in a reliable manner.

Tangible fixed assets are reported at acquisition value decreased by depreciation. Expenses for improving asset performance beyond the original level increase the written-down value of the asset. Repair and maintenance expenses are reported as costs. Tangible fixed assets are systematically depreciated over the estimated useful life of the asset. When determining the depreciable amount of the assets, their residual value is taken into consideration, where appropriate.

In 2009, the calculation method used in previous years for plant and machinery write-downs was re-examined. Assets whose book value significantly falls below the calculated actual value have been individually reviewed. These assets have been revaluated and the write-up has been reported to a revaluation reserve in shareholders' equity taking into considerations deferred tax liabilities. Write-down of these assets starts from 2009 based on a calculated economic lifetime of 10 years, taking into account a residual value of 10%. The straight-line depreciation method is used for all types of tangible assets. The following depreciation periods are applied. Costs incurred on property of others: 20 years. Machinery and other technical facilities: 10-15 yrs. Equipment, tools and installations, 3-5 yrs. The difference between the above mentioned depreciation and the tax-related depreciation is reported in the individual companies as accumulated over depreciation, which is included in untaxed reserves.

RECEIVABLES

Receivables are reported at the amount estimated to be obtained, based on individual assessment.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies have been calculated at the closing rate of exchange.

INVENTORIES

The inventories, valued in accordance with general guideline BFNAR 2000:3 of the

Swedish Accounting Standards Board, are raised at the lower of the acquisition values according to the first in, first out principle and the actual value, taking into consideration the obsolescence risk. The acquisition value of ownmanufactured semifinished and finished products consists of the direct manufacturing costs and a fair share of the indirect manufacturing costs. The valuation has taken into consideration the normal utilization rate.

EMPLOYEE BENEFITS

Swedish Subsidiaries

Retirement pensions:

The company's liabilities per period shall be limited to the amount by which the company is obliged to contribute for the period in question. Consequently, actuarial assumptions are not required for calculating the liabilities or the cost, and actuarial losses or gains are not possible. The liability is calculated without discounts, except for in the cases where the full amount is due within 12 months after the end of the period during which the employees carry out the related services.

Foreign Group Companies

The foreign subsidiaries of the group apply the pension accounting principles which are generally accepted in the respective country. Costs and provisions calculated this way have been included in the group accounts without further recalculation and are impacting the operating profit.

TAX

The company and the group are subject to BFNAR 2001:1 income tax. The total tax is comprised of current taxes and deferred taxes.

Tax is reported in the profit and loss statement except when the underlying transaction is reported directly against equity, with the resultant tax effect reported in equity. Current tax (previously called Tax Paid) is tax that has to be paid or received for the current year. This includes adjustment of current tax attributable to earlier periods. Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the reported and fiscal value of assets and liabilities. The amounts are

calculated based on temporary differences that are expected to be set off and with application of the tax rates and regulations which are adopted or communicated as per balance sheet date. Temporary differences are not taken into consideration in Group-related goodwill or in differences attributable to shares of subsidiaries and associated companies not expected to be taxed within the foreseeable future. For legal entities, untaxed reserves are reported inclusive of deferred tax liability. In the consolidated accounts, untaxed reserves have been divided into deferred tax liability and equity.

Deferred tax assets regarding deductible temporary differences and deductible deficiency are only reported inasmuch as it is probable that they will result in lower tax payments in the future.

ACCOUNTING OF REVENUES

Income reporting is done in accordance with BFNAR 2003:3 Income.

As revenue the company reports the actual value of what is or will be obtained. Therefore the company reports revenues at nominal value (amount invoiced), if the company receives the payment in the form of liquid funds at delivery. Deductions are made for discounts. The revenue from the sale of goods is reported as income when the following conditions are fulfilled: the essential risks and benefits related to the ownership of the goods have been transferred to the buyer, the company retains no commitment as to the current administration, nor does it exercise any real control over the goods sold, the revenue can be calculated in a reliable fashion, there is a probability that the economic advantages for the company from the transaction will go to the company, and the expenses generated or expected to be generated as a result of the transaction can be calculated in a reliable fashion. Interest or dividends are reported as revenue when the company is likely to receive the economic benefits associated with the transaction and when the revenue can be calculated in a reliable fashion.

Interest income is reported in accordance with the interest rate that gives stable return for the assets in question. Dividend income is

reported when the shareholder's entitlement to dividends is considered secure.

The group recognizes service assignments conducted on open account terms according to the alternative rule. In other words, revenues are reported when the conducted services are invoiced, and expenses are reported as costs when incurred. Ongoing, uninvoiced service assignments are not recognized as assets in the balance sheet.

LEASING - LESSEES

Swedish accounting council (Redovisningsrådet) recommendation RR 6:99 applies. Leasing is classified in the consolidated accounts as either financial or operational leasing. Financial leasing is where the economic risks and benefits related to the ownership in all essentials are transferred to the lessee; all other cases are operational leasing. Assets leased according to financial leasing agreements have been reported as assets in the group's balance sheet. The obligation to pay future leasing costs has been reported as long or short-term debts. These assets are written off according to plan while the leasing payments are reported as interest and amortization of the debts. Operating leasing means that the lease fee is written off over the lease period starting from the time of utilization of the asset, which can differ from what is actually paid as lease fee during the year.

CURRENT FINANCIAL ASSETS

Current assets are reported, in line with the Swedish annual accounts act, as the lowest value of acquisition cost or the actual value.

CONSOLIDATION

The consolidated financial statement has been drawn up in accordance with Swedish accounting councils (Redovisningsrådet) recommendation RR 1:00.

SUBSIDIARIES

Subsidiaries are companies, where the Parent company directly or indirectly owns more than 50% of the votes or in any other way exercises controlling influence over the operating and financial management of the company. Subsidiaries are normally reported as per the purchase method. According to the

purchase method, the acquisition of a subsidiary is regarded as a transaction; this way the Parent company indirectly acquires the assets of the subsidiary and overtakes its liabilities. From the date of acquisition, the group accounts include the income and costs of the acquired company, identifiable assets and liabilities as well as depreciation of goodwill or negative goodwill.

ELIMINATION OF TRANSACTIONS BETWEEN GROUP COMPANIES

Accounts receivable and liabilities within the Group as well as transactions between companies in the Group and unrealized profit related to these are eliminated in their totality. Unrealized profit arising from transactions with associated companies is eliminated in proportion with the group's participation in the company. Unrealized profit resulting from transactions with associated companies is eliminated in "Participations in Associated Companies". Unrealized losses are eliminated in the same manner as unrealized profits unless there is a write-down amount. Of the Parent company's total amount of purchases and sales, measured in Swedish kronor (SEK), 0 % of the purchases and 0 % of the sales are done with other companies within the group of enterprises that this company belongs to.

CONVERSION OF FOREIGN SUBSIDIARIES OR OTHER FOREIGN OPERATIONS

Currency conversions are conducted in accordance with recommendation 8 of the Swedish Financial Accounting Standards Council. The current rate method is used for currency conversion of profit/loss and balance sheet calculations in independent foreign companies. For companies integrated with the Parent company, the monetary-non-monetary method is used for conversions. Independent foreign companies in countries with high inflation rate are subject to inflation adjustments and conversion follows the current rate method. With the current rate method, all assets, provisions and other liabilities are converted at the current exchange rate and all items in the profit and loss account are converted at an average rate. Any exchange rate differences are transferred directly to the equity.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS

Group contributions and shareholders' contributions are reported in according to their economic significance. This means that Group contributions which are paid with the aim of minimizing the Group's total tax are reported directly in the income statement.

NOTES

Note 1 Net turnover per line of business

Group's primary basis of allocation and risk distribution is related to the different legal entities.

Group	2013	2012
Mechanical processing	1 164 385	870 987
Telecom	51 913	-
Consultancy services	45 318	34 453
Leasing services	543	2 261
Group internal transactions	-189 857	-120 902
Total net turnover	1 072 302	786 799

Note 2 Net other operating income

Group	2013	2012
Exchange rate profit on receivables/liabilities	6 256	6 214
Sales of machinery	314	1 569
Miscellaneous	6 969	1 646
Total Net Operating Income	13 539	9 429

Note 3 Raw materials and consumables

Goods for resale (purchased finished products) constitute a small share of the company's turnover. For this reason, together with the fact that the cost for these purchases cannot be separated from the company's report, these costs are recognized together with raw materials and consumables.

Note 4 Fees and remuneration to auditors

PwC/KPMG	2013	2012
Audit assignment	-400	- 328
Additional audit assignment	-101	- 75
<i>SIA Potapovica & Andersone</i>		
Audit assignment	-61	-62
Additional audit assignment	-	-
<i>Moore Stephens Boeing</i>		
Audit assignment	-248	-230
Additional audit assignment	-	-22
<i>PFK Könyvizsgáló es Tanácsadó Kft</i>		
Audit assignment	-53	-
Additional audit assignment	-18	-
<i>BSL Wirtschaftsprüfung</i>		
Audit assignment	-130	-
Additional audit assignment	-	-
Total	-1 011	- 717

Note 5 Average numbers of employees

Country	Number of men		Total	
	2013	2012	2013	2012
<i>Group Companies</i>				
Sweden	289	220	336	254
Latvia	244	209	265	226
Brasil	21	15	26	20
Germany	72	-	75	-
Hungary	75	-	100	-
China	5	-	7	-
<i>Parent company</i>				
Sweden	-	-	-	-
Total	706	444	809	500

Note 5 Salaries and other remunerations

Group companies	2013	2012
Board of Directors and CEO	4 560	4 382
Other employees	190 803	121 970
Total	195 363	126 352

Social security contributions (including pension costs)*	61 037	42 953
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* Of the group pension costs, MSEK 0.67 (MSEK 0.56) refers to the board and CEO.

Note 6 Depreciation of tangible fixed assets

Group	2013	2012
Building and land	-128	-
Costs incurred on property of others	-167	-197
Machinery and other technical facilities	-53 446	-40 919
Equipment, tools and installations	-2 215	-924
Total	-55 956	-42 040

Note 7 Other operating costs

Group	2013	2012
Exchange rate loss on receivables/liabilities of operating nature	-6 201	-10 047
Loss from sale of equipment	-586	-736
Miscellaneous	-769	-1 120
Total	-7 556	-11 903

Note 8 Earnings from securities and receivables that constitute fixed assets

Group	2013	2012
Dividends from other companies	2 495	2 495
Gain from sale of shares	-	33
Exchange rate loss on long term receivables	-	-547
Write-downs of shares in listed companies	-16 917	-
Total	-14 422	1 981

Note 9 Income from shares in Group companies

Parent company	2013	2012
Dividend payment	18 982	35 258
Total	18 982	35 258

Note 10 Interest costs and similar profit/loss items

Group	2013	2012
Interest costs, other	-12 239	-7 430
Miscellaneous	-8 496	-
Total	-20 735	-7 430

Parent company	2013	2012
Interest costs, group companies	-107	-82
Interest costs, other	-4 224	-3 454
Total	-4 351	-3 536

Note 11 Balance sheet appropriations

Parent company	2013	2012
Accrual fund, allocation for the year	-2 098	-640
Total	-2 098	-640

Note 12 Tax on profit for the year

Group	2013	2012
Current tax	-5 985	-7 217
Deferred tax	3 647	7 101
Total	-2 338	- 116

Parent company	2013	2012
Current tax	-1 515	-977
Total	-1 515	-977

Note 13 Capitalized expenditure for development and similar

Group	2013	2012
<i>Accumulated, acquisition value:</i>		
-Acquisitions	7 810	-
<i>Accumulated depreciation according to plan:</i>		
-Depreciation for the year	-	-
Reported value at the closing of the year	7 810	-

Note 14 Goodwill

Group	2013	2012
<i>Accumulated, acquisition value:</i>		
-Acquisitions of subsidiary	1 440	-
<i>Accumulated depreciation according to plan:</i>		
-Depreciation for the year	-	-
Reported value at the closing of the year	1 440	-

Note 15 Buildings and land

Group	2013	2012
<i>Accumulated, acquisition value:</i>		
-At the opening of the year	-	-
-Acquisitions of subsidiary	39 941	-
-Conversion differences	697	-
<i>Accumulated depreciation according to plan:</i>		
-Acquisitions of subsidiary	-886	-
-Depreciation for the year	-128	-
-Conversion differences	-18	-
Reported value at the closing of the year	39 606	-

Note 16 Costs incurred on property of others

Group	2013	2012
<i>Accumulated, acquisition value:</i>		
-At the opening of the year	2 837	562
Disposal of subsidiaries	197	2 275
-Disposals	-1 302	-
-Conversion differences	-246	-
Total	1 756	2 837

Accumulated depreciation according to plan:

-At the opening of the year	-508	-311
Disposal of subsidiaries	140	-
-Depreciation for the year	-167	-197
-Conversion differences	-20	-
Total	-515	-508

Reported value at the closing of the year	1 241	2 329
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Note 17 Machinery and other technical facilities

Group	2013	2012
<i>Accumulated, acquisition value:</i>		
-At the opening of the year	409 296	388 313
-Acquisitions	209 827	57 297
Disposal of subsidiaries	-21 893	-45 111
-Acquisitions of subsidiary	82 261	-
-Reclassifications	-	10 380
-Conversion differences	396	-1 583
Total	679 887	409 296

Accumulated depreciation according to plan:

-At the opening of the year	-145 885	-143 339
-Disposal of subsidiaries	9 999	38 571
-Acquisitions of subsidiary	-43 181	-
-Reclassifications	-	-4 569
-Depreciation for the year	-48 187	-36 673
-Conversion differences	-66	125
Total	-227 320	-145 885

Accumulated write-ups:

-At the opening of the year	42 614	47 053
Depreciation for the year	-6 329	-4 246
-Conversion differences	-114	-193
Total	36 171	42 614

Reported value at the closing of the year	448 738	306 025
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Leasing

Group	2013	2012
Book value for equipment held under financial leasing agreements	-	694

Note 18 Equipment, tools and installations

Group	2013	2012
<i>Accumulated, acquisition value:</i>		
-At the opening of the year	13 826	15 243
Acquisitions	12 621	1 516
Disposal of subsidiaries	-445	-2 849
-Acquisitions of subsidiary	448	-
-Conversion differences	274	-84
Total	26 724	13 826

Accumulated depreciation according to plan:

-At the opening of the year	- 7 823	-9 510
-Acquisitions of subsidiary	- 299	-
Disposal of subsidiaries	370	2 550
-Reclassifications	-	-
-Depreciation for the year	-2 192	-924
-Conversion differences	17	61
Total	- 9 927	-7823

Reported value at the closing of the year	16 797	6 003
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Note 19 Shares in Group companies

Parent company	2013	2012
<i>Accumulate, acquisition value:</i>		
-At the opening of the year	38 834	27 213
-Acquisitions	75 593	11 621
Reported value at the closing of the year	114 427	38 834

Specification of the Parent Company's Shares and Participation in Group Companies

(This refers to capital quota, which correspond to the votes quota for all shares)

Subsidiary/Company ID/Head Office	Shares	Qty in %	Reported Value
LEAX Quality AB, 556456-2493, Köping	2 000	100,00	1 250
LEAX Mekaniska AB, 556235-8415, Köping	47 993	100,00	96
LEAX Components AB, 556683-5673, Köping	20 000	100,00	6 960
LEAX Falun AB, 556729-3559, Falun	5 000	100,00	5 402
SIA LEAX Baltix, Riga, Latvia	1 918	93,40	7 063
SIA LEAX Rezekne, Rezekne, Latvia	934	93,40	1 240
LEAX do Brasil Ltd, Brasil	137 500	98,22	42 061
LEAX Russia, Russia	1 000	100,00	2
LEAX Brinkmann GmbH	1	100,00	10 252
LEAX India	84 994	89,47	101
Gofer Holding AB	50 000	100,00	40 000
			114 427

Note 20 Participation in associated companies

	Group	Parent company
<i>Accumulate, acquisition value:</i>		
-At the opening of the year	7 681	7 681
-Acquisitions	218	218
Reported value at the closing of the year	7 899	7 899

Specification of the Parent Company's Shares and Participation in Associated Companies

(This refers stocapital quota which correspond to the votes quota for all shares)

Associated Company/Companies ID/ Head Office	Shares	Qty in %	Reported Value
Industri Kompetens V:a Mälardalen AB, 556587-7759, Västerås	600	47	2 639
Swedish Powertrain AB, 556804-8432, Köping	500	50	50
Swedish Powertrain Techcenter AB, 556654-6775, Sibbhult	10 000	50	5 210
			7899

Note 21 Other long-term securities

Group	2013	2012
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Accumulate, acquisition value:

-At the opening of the year	18 167	22 941
-Acquisitions	2 257	226
-Disposal of subsidiaries	-16 916	-5 000

Reported value at the closing of the year	3 508	18 167
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Parent company	2013	2012
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Accumulate, acquisition value:

-At the opening of the year	16 916	21 916
-Acquisitions	2 143	-
-Disposal of subsidiaries	-16 916	-5 000

Reported value at the closing of the year	2 143	16 916
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Specification of securities, reported value:

Group	
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Energi Teknikk AS	2 143
Miscellaneous	1 365
	3 508

Parent company	
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Energi Teknikk AS	2 143
	2 143

Note 22 Prepaid costs and accrued income

Group	2013	2012
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Rent	6 885	2 236
Other items	4 447	4 233
Total	11 332	6 469

Note 23 Current financial assets

Group	Reported value	Market value
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Current financial assets	2 457	2 457
Miscellaneous	210	210
	2 667	2 667

Parent company	Reported value	Market value
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Current financial assets	2 457	2 457
	2 457	2 457

Note 24 Equity

Group AB	Shares capital	Restricted Reserves	Non-restricted capital
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Outgoing balance according to the balance-

sheet for the previous year	1008	54 352	161 977
Shift between restricted and restricted equity		-6 745	6 745
Conversion differences		1 424	-402
Dividend paid			-20 150
Profit for the year			10 905
Reported value at the closing of the year	1008	47 607	159 075

Parent company

Outgoing balance according to the balance-sheet for the previous year	Shares capital	Restricted Reserves	Non-restricted capital
	1008	2 011	63 119
Dividend paid			-20 150
Profit for the year			9 919
Reported value at the closing of the year	1008	2 011	52 888

Note 25 Liabilities to credit institutions, long-term

Group	2013-12-31	2012-12-31
Due date, 1-5 years from balance sheet date	259 470	41 697
Due date, > 5 years from balance sheet date	11 074	3 860
Total	270 544	45 557

Parent company	2013-12-31	2012-12-31
Due date, 1-5 years from balance sheet date	49 200	-
Due date, > 5 years from balance sheet date	-	-
Total	49 200	-

Note 26 Bank overdraft facilities

Group	2013-12-31	2012-12-31
Granted overdraft limit	196 993	146 530
Unutilized portion	-20 318	-43 998
Utilized overdraft	176 675	102 532

Parent company	2013-12-31	2012-12-31
Granted overdraft limit	150 000	140 000
Unutilized portion	-10 254	-43 195
Utilized overdraft	139 746	96 805

Securities are recognized in the note "Pledged assets for liabilities to credit institutions".

Note 27 Accrued Costs and Deferred Income

Group	2013-12-31	2012-12-31
Employee-related costs	30 965	20 288
Unutilized portion	13 840	7 648
Total	44 805	27 936

Note 28 Provisions for deferred tax

Group	2013-12-31	2012-12-31
Deferred tax asset relating to deficit deduction	-8 657	-4 922
Deferred tax liabilities relating to untaxed reserves	4 865	4 582
Deferred tax liabilities relating to temp difference	29 407	27 834
Total	25 615	27 494

Note 29 Pledged assets for liabilities to credit institutions

Group	2013-12-31	2012-12-31
Floating charges	304 478	149 183
Assets with reservation of title	153 645	99 128
Total	458 123	248 311

Parent company	None	None
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Signatures

Köping 2014-03-24

Lars Davidsson
Chairman of the Board

Roger Berggren
President and CEO

Håkan Bergström
Member of Board

Anders Melander
Member of Board

Anders Spåre
Member of Board

Hans Hansson
Member of Board

My audit report was submitted on March 24th,
2014

Daniel Valtersson
Authorised Public Accountant





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