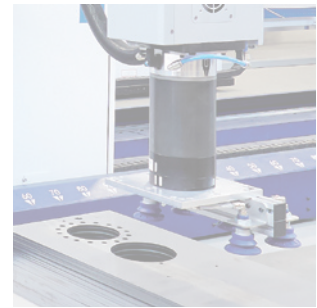
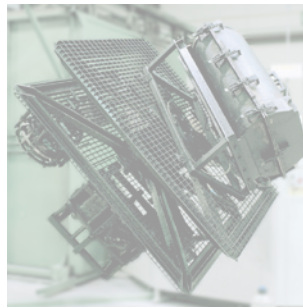




# Interim report

1 January – 31 March 2013



# Interim report 1 January – 31 March 2013

- Net revenue totalled SEK 388 million (309)
- Profit after tax amounted to SEK 38 million (21)
- Earnings per share were SEK 5.65 (3.10)
- Interest-bearing liabilities decreased by SEK 162 million during the interim period
- Sale of industrial property in Tallinn
- Investments in ÅGES and ITB Teknik in Unnaryd

## CEO's comments on the Group's development during the period

Profit from operating activities in comparable units during the first quarter was lower than in the corresponding period of the previous year and on a par with Q4 2012, although performance did vary between the Group's four business units. Industrial Solutions surpassed the previous year in terms of both sales and profit, while other business units, particularly Rotational Moulding, reported much worse figures in comparable units. Capital gains and recently acquired units each contributed approx. SEK 15 million in profit before tax during the period.

As expected, the start of the year was affected by the continued weak economy. Yet March saw the level of activity rise in most of the Group's business areas and this positive trend is projected to continue during the second quarter.

## Revenue and profit

Net revenue totalled SEK 388 million (309). The operating profit amounted to SEK 52 million (32), corresponding to an operating margin of 13.4 per cent (10.3). The operating profit includes non-recurring items totalling SEK 16 million (0) mainly relating to capital gains from the sale of real estate. Profit before tax was SEK 45 million (28).

## Share data and key figures

Earnings per share were SEK 5.65 (3.10). Equity per share was SEK 85.20 (76.80). The average number of outstanding shares was 6,788,974 during the period. The equity/assets ratio was 37 per cent (46) at the end of the period. The average number of employees was 979 (781).

## Important events during the period

In February, an industrial property in Tallinn, Estonia, was sold. The purchase price, which was paid in cash, was EUR 6.9 million excluding VAT and brought about a capital gain of approx. SEK 14 million, which was recognised in the first quarter. Historically the property has each year generated a small profit and the sale will have relatively little long-term impact on XANO's profits and financial position. XANO has not used the property for its own activities since 2010.

In December 2012, XANO acquired the two Unnaryd companies ÅGES and ITB Teknik. With the support gained from now being part of a group of companies, the foundation for growth at both these companies is good, and XANO has decided to invest a total of approx. SEK 25 million in operations in Unnaryd in the near future. This project involves extending the production premises of both the companies as well as investing in moulding machinery and machining equipment. The expansion in capacity in Unnaryd is part of XANO's strategy to develop niche engineering companies through long-term investments.

The acquisition of ÅGES/ITB Teknik included a number of properties that were not being used in operations. These were sold in March and generated a capital gain of approx. SEK 2 million.

## Events after the end of the period

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

## Activities and organisation

Effective as from 1 January 2013, the companies within the Precision Technology business unit have been split up. Together with the new acquisitions ÅGES and ITB Teknik, Segerströms and VIAB form a fourth business unit, Precision Components. Albins, KMV, LK Precision, Mikroverktyg

and Resinit remain within the Precision Technology business unit.

## Industrial Solutions

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

	2013 Q1	2012 Q1	2012 Full year
Sales, SEK m	154	138	580
Operating profit, SEK m	17	12	59
Operating margin, %	10.8	8.9	10.2

Revenue increased by 12 per cent compared to the previous year. Major project deliveries to the packaging industry were completed during the quarter. Despite a somewhat lower invoicing level in other segments, a very good profit was achieved thanks to flexible and cost-adapted operations. The market situation remains positive for all companies within the business unit.

## Precision Components

*Precision Components manufactures components through cutting machining and die casting of metal in larger batches with a high proportion of sales to the automotive industry.*

	2013 Q1	2012 Q1	2012 Full year
Sales, SEK m	144	60	199
Operating profit, SEK m	20	6	9
Operating margin, %	14.1	9.0	4.4
<i>The operating profit includes non-recurring items totalling SEK m</i>	2	-	-

So far 2013 has seen ÅGES and ITB Teknik join the business unit and generate a boost in revenue of approx. SEK 99 million with a good profit level.

Development for the recently acquired companies is expected to remain good and in March it was decided to carry out extensive investments in both operations. For the other companies in the business unit, revenue fell by 25 per cent on the previous year and performance was weak. Signals about higher volumes in future from several key customers will hopefully lead to some recovery during the rest of the year.

#### Precision Technology

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

	2013 Q1	2012 Q1	2012 Full year
Sales, SEK m	51	66	231
Operating profit, SEK m	3	9	21
Operating margin, %	6.6	14.3	9.0
<i>The operating profit includes non-recurring items totalling SEK m</i>	0	-	-6

Invoicing for the business unit was 22 per cent lower than in the first quarter of last year. Two-thirds of this reduction is attributable to operations that were sold in 2012. Most of the companies in the business unit were still negatively affected by the weak economy and reported worse margins compared to the same period in the previous year. Marketing activities remained intensive and incoming orders increased towards the end of the period.

#### Rotational Moulding

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

	2013 Q1	2012 Q1	2012 Full year
Sales, SEK m	39	46	164
Operating profit, SEK m	2	8	20
Operating margin, %	4.1	17.5	12.3

The business unit's revenue fell by 16 per cent compared to the previous year. A generally low level of activity in combination with the lengthy cold spell led to weak sales and a significantly poorer operating margin compared to the first quarter of the previous year. The business unit also continued to be affected by extra costs for the start-up in Poland, where production began during the period. The market situation stabilised in March and by the end of the quarter the order stock was on a par with that of the previous year.

#### Investments

During the interim period, the Group's net investments in non-current assets amounted to SEK -43 million (114), of which SEK -50 million related to real estate, SEK 6 million to machinery and equipment and SEK 1 million to intangible assets.

#### Cash flow and liquidity

Cash flow before investments totalled SEK 52 million (22) in the period.

The Group's liquid assets, including lines of credit granted but not utilised, totalled SEK 392 million (245) on the balance sheet date.

#### Risks and uncertainty factors

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

A statement on the Group's main financial and operational risks can be found on pages 70 and 71 of the annual report for 2012. No additional significant risks are deemed to have arisen.

#### Accounting policies

As with the annual financial statements for 2012, the consolidated financial statements for 2013 were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the recommendations and statements of the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34.

The Group applies the same accounting policies as described in the annual report for 2012 with the following exceptions as a result of new or revised standards, interpretations and improvements, which are applied as of 1 January 2013:

- » *IFRS 13 Fair Value Measurement*
- » *Amendments to IAS 1 Presentation of Financial Statements*
- » *Amendments to IAS 19 Employee Benefits*

The applications have not had any effect on the Group's financial position but involve expanded disclosure requirements and revised presentation formats.

#### Next report date

The interim report for the period 1 January to 30 June 2013 will be presented on Tuesday 9 July 2013.

Jönköping, 6 May 2013

Sune Lantz  
CEO

Consolidated statement of comprehensive income (SEK million)	2013 3 mths Jan-Mar	2012 3 mths Jan-Mar	12/13 12 mths Apr-Mar	2012 12 mths Jan-Dec
Net revenue	388	309	1,250	1,171
Cost of goods sold	-314	-243	-1,005	-934
<b>Gross profit</b>	<b>74</b>	<b>66</b>	<b>245</b>	<b>237</b>
Other operating income <sup>1)</sup>	20	3	32	15
Selling expenses	-26	-23	-97	-94
Administrative expenses	-14	-12	-52	-50
Other operating expenses <sup>2)</sup>	-2	-2	-14	-14
<b>Operating profit</b>	<b>52</b>	<b>32</b>	<b>114</b>	<b>94</b>
Financial items	-7	-4	-15	-12
<b>Profit before tax</b>	<b>45</b>	<b>28</b>	<b>99</b>	<b>82</b>
Tax	-7	-7	-15	-15
<b>Net profit for the period</b>	<b>38</b>	<b>21</b>	<b>84</b>	<b>67</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may be reclassified to net profit for the period</i>				
Change in hedging reserve including tax <sup>3)</sup>	2	3	-4	-3
Exchange rate differences <sup>4)</sup>	-1	-2	-3	-4
Effect of change in corporation tax for items recognised against equity	–	–	2	2
<b>Other comprehensive income for the period</b>	<b>1</b>	<b>1</b>	<b>-5</b>	<b>-5</b>
<b>Comprehensive income for the period</b>	<b>39</b>	<b>22</b>	<b>79</b>	<b>62</b>

Depreciation constitutes -17 -14 -59 -56

Tax amounts to 15 per cent (25) for the interim period. Tax-exempt capital gains on the sale of real estate contributed to the lower tax cost for 2013.

<sup>1)</sup> Other operating income includes non-recurring items totalling SEK 16 million (0) in the interim period and SEK 0 million for 2012 as a whole. This year's amount is mainly attributable to capital gains from the sales of real estate.

<sup>2)</sup> Other operating expenses include non-recurring items totalling SEK 0 million (0) in the interim period and SEK -6 million for 2012 as a whole. The amount for 2012 relates to a capital loss from the sale of the shares in Eslöv Mekaniska Verkstad AB.

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

<sup>4)</sup> Refers to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

ÅGES Industrier i Unnaryd AB and ITB Teknik i Unnaryd AB, which were acquired in December 2012, are included in the Group results as of 1 January 2013.

Share data	2013 3 mths Jan-Mar	2012 3 mths Jan-Mar	2012 12 mths Jan-Dec
Average number of outstanding shares, thousands	6,789	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,064	7,009	7,037
Average number of shares in own custody, thousands	140	140	140
Basic earnings per share, SEK <sup>1)</sup>	5.65	3.10	9.85
Diluted earnings per share, SEK <sup>1)</sup>	5.50	3.05	9.70
Cash flow from operating activities per share, SEK	7.60	3.20	10.75
Total number of shares on balance sheet date, thousands	6,929	6,929	6,929
Number of shares in own custody on balance sheet date, thousands	140	140	140
Equity per share on balance sheet date, SEK	85.20	76.80	79.45
Share price on balance sheet date, SEK	133.00	103.00	105.00

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

On 1 July 2012, convertibles for a nominal value of SEK 29,999,961, equivalent to 275,229 Class B shares with full conversion, were issued. The convertibles accrue interest corresponding to STIBOR 3M plus 2.7 per cent and are due for payment on 30 June 2016. The conversion rate is SEK 109.

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

Consolidated statement of financial position (SEK million)	2013 31 Mar	2012 31 Mar	2012 31 Dec
<b>ASSETS</b>			
Goodwill	500	234	501
Other intangible non-current assets	7	6	7
Property, plant and equipment	480	458	543
Non-current financial assets	8	1	0
<b>Total non-current assets</b>	<b>995</b>	<b>699</b>	<b>1,051</b>
Inventories	249	202	254
Current receivables	306	221	296
Liquid assets	17	21	64
<b>Total current assets</b>	<b>572</b>	<b>444</b>	<b>614</b>
<b>TOTAL ASSETS</b>	<b>1,567</b>	<b>1,143</b>	<b>1,665</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	578	521	539
Non-current liabilities	473	165	476
Current liabilities	516	457	650
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,567</b>	<b>1,143</b>	<b>1,665</b>

Interest-bearing liabilities constitute 594 303 756  
Deferred tax liabilities constitute 80 46 80

Eslöv Mekaniska Verkstad AB was sold in July 2012. Divested assets and liabilities amounted to approx. SEK 31 million and SEK 10 million respectively.

ÅGES Industrier i Unnaryd AB and ITB Teknik i Unnaryd AB were acquired in December 2012. Acquired assets and liabilities including surplus values amounted to SEK 587 million and SEK 221 million respectively.

Current liabilities include derivatives valued at fair value of SEK 10 million (5) for the interim period and SEK 13 million for 2012 as a whole. The derivatives are used for hedging purposes and belong to value level two under IFRS 13.

Statement of changes in equity (SEK million)	2013 31 Mar	2012 31 Mar	2012 31 Dec
<b>Opening balance</b>	<b>539</b>	<b>499</b>	<b>499</b>
Comprehensive income for the period	39	22	62
Effect of convertible loan issued	–	–	2
Dividend paid	–	–	-24
<b>Closing balance</b>	<b>578</b>	<b>521</b>	<b>539</b>

Cash flow statement (SEK million)	2013 3 mths Jan-Mar	2012 3 mths Jan-Mar	12/13 12 mths Apr-Mar	2012 12 mths Jan-Dec
Operating profit	52	32	114	94
Adjustments for non-cash items	-23	-9	3	17
Change in working capital	23	-1	-14	-38
<b>Cash flow from operating activities</b>	<b>52</b>	<b>22</b>	<b>103</b>	<b>73</b>
Investments	62	-98	-271	-431
<b>Cash flow after investments</b>	<b>114</b>	<b>-76</b>	<b>-168</b>	<b>-358</b>
Financing	-161	42	164	367
<b>Cash flow for the period</b>	<b>-47</b>	<b>-34</b>	<b>-4</b>	<b>9</b>

Key ratios	2013	2012	12/13	2012
	3 mths Jan-Mar	3 mths Jan-Mar	12 mths Apr-Mar	12 mths Jan-Dec
Operating margin, %	13.4	10.3	9.1	8.0
Profit margin, %	11.6	9.1	7.9	7.0
Return on equity p.a., %	27.5	16.5	15.8	12.9
Return on capital employed p.a., %	17.3	17.3	11.8	10.8
Return on total capital p.a., %	13.2	12.4	8.9	8.0
Interest coverage ratio, multiple	6.6	5.8	6.6	6.3
Equity, SEK m	578	521	578	539
Equity/assets ratio, %	37	46	37	32
Proportion of risk-bearing capital, %	42	50	42	37
Net investments, SEK m	-43	114	355	512
Average number of employees	979	781	818	768

For definitions, see page 92 of the 2012 annual report.

Newly acquired ÅGES Industrier i Unnaryd AB and ITB Teknik i Unnaryd AB were consolidated from 31 December 2012 inclusive and did not contribute any profit during 2012.

Quarterly summary	2013	2012	2012	2011	2012	2011	2012	2011
	Q1	Q1	Q4	Q4	Q3	Q3	Q2	Q2
Net revenue, SEK m	388	309	283	299	230	233	349	321
Gross profit, SEK m	74	66	51	60	50	53	70	64
Operating profit, SEK m	52	32	17	28	16	28	29	28
Profit before tax, SEK m	45	28	13	27	13	26	28	25
Net profit for the period, SEK m <sup>1)</sup>	38	21	17	22	8	20	21	19
Comprehensive income for the period, SEK m <sup>2)</sup>	39	22	18	19	2	19	20	20
Operating margin, %	13.4	10.3	6.0	9.2	6.8	12.1	8.4	8.7
Equity/assets ratio, %	37	46	32	48	48	48	45	47
Earnings per share, SEK <sup>3)</sup>	5.65	3.10	2.40	3.15	1.25	2.90	3.10	2.75
Cash flow from operating activities per share, SEK <sup>2,4)</sup>	7.60	3.20	2.05	11.30	2.55	3.90	2.95	7.00

<sup>1)</sup> Refers to profit from continuing operations for the period.

<sup>2)</sup> Refers to the whole Group, including discontinued operations.

<sup>3)</sup> Based on profit from continuing operations for the period.

<sup>4)</sup> The strong cash flow during Q4 2011 is mainly explained by extraordinary advance payments from customers.

## Net revenue and profit/loss by segment

(SEK million)	Q1 2013				Q1 2012				Q1-Q4 2012			
	Net revenue			Profit/loss before tax <sup>1)</sup>	Net revenue			Profit/loss before tax <sup>1)</sup>	Net revenue			Profit/loss before tax <sup>1)</sup>
	External	Internal	Total		External	Internal	Total		External	Internal	Total	
Industrial Solutions	154	0	154	16	138	0	138	11	580	0	580	55
Precision Components	144	0	144	20 <sup>2)</sup>	60	0	60	5	198	1	199	5
Precision Technology	51	0	51	2	65	1	66	8	229	2	231	16 <sup>4)</sup>
Rotational Moulding	39	0	39	0	46	0	46	7	164	0	164	18
Eliminations	-	0	0	-	-	-1	-1	-	-	-3	-3	-
Undistributed items	-	-	-	7 <sup>3)</sup>	-	-	-	-3	-	-	-	-12
<b>Group total</b>	<b>388</b>	<b>-</b>	<b>388</b>	<b>45</b>	<b>309</b>	<b>0</b>	<b>309</b>	<b>28</b>	<b>1,171</b>	<b>0</b>	<b>1,171</b>	<b>82</b>

The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Solutions, Precision Components, Precision Technology and Rotational Moulding. The operations within each segment are described on pages 2 and 3. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

In 2013, the Rotational Moulding segment has boosted its total operating assets, such as inventories and trade receivables, as a result of an increase in incoming orders. Apart from this, no significant changes have occurred within segments with regard to total operating assets or non-current assets.

Sales of real estate completed in 2013 refer primarily to investment properties, which are recognised as undistributed items. Non-current assets have fallen by approx. SEK 51 million due to the sale of investment properties.

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

<sup>2)</sup> This figure includes non-recurring items totalling SEK 2 million attributable to capital gains from the sale of real estate.

<sup>3)</sup> This figure includes non-recurring items totalling SEK 14 million attributable to a capital gain from the sale of real estate.

<sup>4)</sup> This figure includes non-recurring items totalling SEK -6 million attributable to a capital loss from the sale of the shares in Eslöv Mekaniska Verkstad AB.

Income statement, Parent Company (SEK million)	2013 3 mths Jan-Mar	2012 3 mths Jan-Mar	2012 12 mths Jan-Dec
Net revenue	2.3	2.2	9.2
Selling and administrative expenses	-4.2	-4.2	-18.6
Other operating income/expenses	–	–	–
<b>Operating profit/loss</b>	<b>-1.9</b>	<b>-2.0</b>	<b>-9.4</b>
Profit from participations in Group companies	–	51.1	111.0
Other financial items	-0.3	4.5	0.4
<b>Profit/loss after financial items</b>	<b>-2.2</b>	<b>53.6</b>	<b>102.0</b>
Appropriations	–	–	-13.8
Tax	0.5	-0.6	-11.0
<b>Net profit/loss for the period</b>	<b>-1.7</b>	<b>53.0</b>	<b>77.2</b>
<i>Statement of other comprehensive income</i>			
Net profit/loss for the period	-1.7	53.0	77.2
Other comprehensive income	–	–	–
<b>Comprehensive income for the period</b>	<b>-1.7</b>	<b>53.0</b>	<b>77.2</b>

Income tax amounts to 22 per cent (1) for the interim period. Tax-exempt dividends contributed to the lower tax expense in 2012.  
100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

Balance sheet, Parent Company (SEK million)	2013 31 Mar	2012 31 Mar	2012 31 Dec
<b>ASSETS</b>			
Non-current assets	62.9	63.0	528.9
Current assets	765.0	643.7	539.2
<b>EQUITY AND LIABILITIES</b>			
Equity	321.7	320.9	323.4
Untaxed reserves	48.6	34.8	48.6
Non-current liabilities	142.0	14.4	302.3
Current liabilities	315.6	336.6	393.8
<b>BALANCE SHEET TOTAL</b>	<b>827.9</b>	<b>706.7</b>	<b>1,068.1</b>

Statement of changes in equity, Parent Company (SEK million)	2013 31 Mar	2012 31 Mar	2012 31 Dec
Opening balance	323.4	267.9	267.9
Comprehensive income for the period	-1.7	53.0	77.2
Effect of convertible loan issued	–	–	2.0
Dividend paid	–	–	-23.7
<b>Closing balance</b>	<b>321.7</b>	<b>320.9</b>	<b>323.4</b>

Cash flow statement, Parent Company (SEK million)	2013 3 mths Jan-Mar	2012 3 mths Jan-Mar	2012 12 mths Jan-Dec
Cash flow from operating activities	-129.9	-81.3	-70.1
Investments	466.0	0.0	-466.0
Cash flow after investments	336.1	-81.3	-536.1
Financing	-335.4	38.0	491.3
<b>Cash flow for the period</b>	<b>0.7</b>	<b>-43.3</b>	<b>-44.8</b>

Investments during 2012 concerned corporate transactions. These companies have been sold within the Group in 2013.

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



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