

Recovery after difficult fourth quarter

The first quarter of 2013 developed in a positive direction following a difficult fourth quarter. As the result of our intensive new product introduction effort, sales rose to SEK 554 million, a 1% improvement over the previous quarter. However, the figure represented a 7% decrease from the first quarter of 2012 in local currency and comparable units. Operating profit of SEK 8 million was decidedly better than the fourth quarter but poorer than the year-ago period. While activities within the framework of the action program that we announced in January show results, we must continue to work for greater flexibility and further improved competitiveness. Although volumes from some of our customers continued to decline there was a slight recovery in the first quarter. Meanwhile, also the volumes from our new customers are growing.



Leif Thorwaldsson, President and CEO

First quarter of 2013

- Net sales were SEK 554 million (611)
- Operating earnings totaled SEK 8 million (21)
- Profit/Loss after tax amounted to SEK 2 million (12)
- Earnings per share after tax amounted to SEK 0,14 (0.97)
- Cash flow after investments amounted to SEK -51 million (-18)
- The equity/assets ratio was 37 percent (38) on March 31st

PartnerTech develops and manufactures products under contract for leading companies, primarily in Information Technology, Industry, CleanTech, MedTech & Instrumentation, Defense & Maritime and Point of Sale Applications. With approximately 1,400 employees at its plants in Sweden, Norway, Finland, Poland, the UK, the United States and China, PartnerTech reports annual sales of more than SEK 2.2 billion. PartnerTech AB (www.partnertech.com), the parent company, has its head office in Vellinge, Sweden, and is listed on the Nasdaq OMX Stockholm Exchange.

PartnerTech AB may be obligated to make the disclosures in this report public pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for public disclosure at 8.30 am on April 19th, 2013.

Key ratios			Apr 2012- Mar 2013	Full-year 2012
Amounts in SEK million unless otherwise stated	Q1-13	Q1-12		
Sales	553.9	610.5	2,185.5	2,242.1
Operating profit	8.1	21.1	11.1	24.1
Operating margin	1.5%	3.5%	0.5%	1.1%
Annual capital turnover ratio, multiple	3.3	3.3	3.1	3.1
Return on operating capital	4.8%	11.4%	1.6%	3.3%
Return on equity	1.6%	10.3%	-3.9%	-1.7%
Operating capital	690.9	761.6	690.9	662.6
Equity	439.3	478.3	439.3	456.6
Interest-bearing net debt	262.8	292.4	262.8	214.6
Equity/assets ratio	37.1%	38.3%	37.1%	40.8%

FIRST QUARTER

First quarter sales were SEK 553.9 million (610.5), an improvement over the fourth quarter of 2012. For comparable units, the figure represented a 7% decline from the same period of the previous year.

Followed a difficult fourth quarter, the group returned to reporting positive operating earnings totaling SEK 8.1 million (21.1). The decrease from the first quarter of 2012 was primarily due to lower sales.

First quarter net financial items totaled SEK -6.0 million (-0.5), including SEK -2.2 million (-2.9) in net interest expense. Unrealized exchange-rate effects had a negative impact on net financial items.

Cash flow from operating activities after investments amounted to SEK -51.5 million (-18.2). Cash flow from investments was SEK -3.7 million (-6.7).

Operating capital turnover rate was in line with the first quarter of 2012. Working capital came to SEK 379.9 million (446.0) at the end of the first quarter.

Interest-bearing net indebtedness was SEK 262.8 million (292.4) on March 31.

The group had equity of SEK 439.3 million (478.3) at the end of the period. Translation effects due to exchange-rate fluctuations had an impact of SEK -19.1 million (10.5) on equity during the first quarter. Due to compliance with IAS 19R as of January 1, 2013, comparison figures for 2012 were also converted. The new policy reduced reported equity by SEK 6.8 million. For additional information, please refer to Note 1.

SOME SIGNIFICANT EVENTS DURING THE QUARTER

- PartnerTech announced in January that it had signed a framework agreement with CybAero to manufacture and assemble autonomous, unmanned helicopters.
- The company disclosed in March that it was strengthening its operational and commercial focus by aligning the operational areas Electronics and Systems Integration & Enclosures, as well as by developing the Supply Chain function.

EVENTS AFTER THE END OF THE PERIOD

No significant events have been reported after the end of the period.

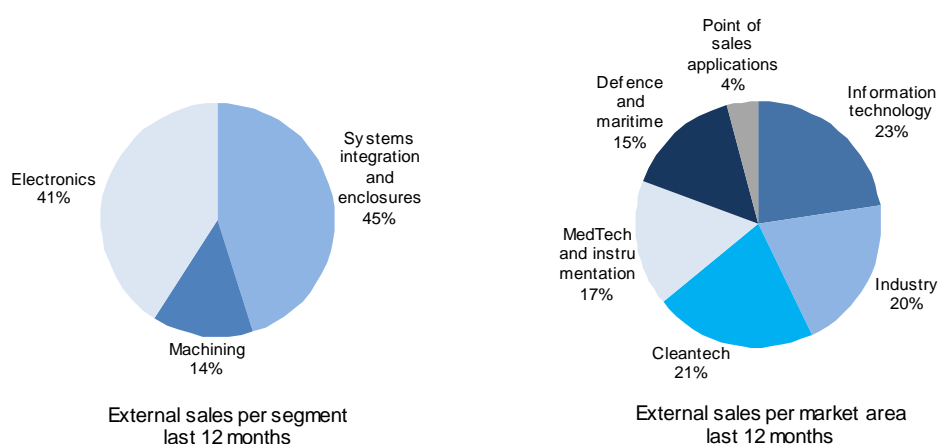
OPERATING SEGMENT REPORTING

PartnerTech's operating activities are broken down into three areas that reflect its core skills:

- Electronics
- Systems Integration & Enclosures
- Machining

The areas constitute PartnerTech's operating segments. The idea is to focus even more on the core skills, as well as their specific challenges and opportunities, in order to better satisfy the technology, knowledge and quality needs of the customers. Each customer center and production unit is assigned to one of the three segments. The segments reflect the way that PartnerTech organizes, monitors and manages its activities.

PartnerTech's services target product owners in its six selected market areas: Information Technology, Industry, CleanTech, MedTech & Instrumentation, Defense & Maritime, and Point of Sale Applications. The company has specific applications expertise and is certified in accordance with quality standards that are often crucial to customers in these areas. For more information on our market areas, please see page 10 in this report.



ELECTRONICS

PartnerTech manufactures printed circuit boards and encapsulated electronics (box build assembly) in this operating segment. The company has the capacity and equipment to handle both small-scale and development projects near the market, as well as large-scale production in low-cost Eastern European and Asian countries. Electronic components are manufactured in Vellinge (Sweden), Cambridge (UK), Sieradz (Poland), Atlanta (US), Chang'an and Guang Zhou (China). Most customers are in the IT, CleanTech, Industry and Defense & Maritime market areas. The segment also sells within the group, given that electronics are integral to systems integration.

Key ratios			Apr 2012- Mar 2013	Full-year 2012
Amounts in SEK million unless otherwise stated	Q1-13	Q1-12		
Total sales	249.0	261.8	1,033.7	1,046.5
whereof external sales	218.9	227.7	896.7	905.4
Operating profit	11.4	12.5	40.2	41.3
Operating margin	4.6%	4.8%	3.9%	3.9%
Capital turnover, times	3.2	3.1	3.2	3.2

- Mostly due to lower volumes for Information Technology, the largest market area, sales for the segment declined by 5% during the period.
- Despite poorer volumes, the operating margin was in line with the year-ago period.
- Operating capital turnover rate improved further to 3.2 for the quarter.

SYSTEMS INTEGRATION & ENCLOSURES

Systems integration involves the assembly of all or part of a customer's product, which includes electronics, plastic or metal components and software in addition to the actual enclosure. PartnerTech also manufactures enclosures in the form of sheet metal casings, cabinets and frames for various types of applications. Expertise when it comes to applications, product development and new product introduction, as well as certification for industry-specific requirements, is vital to the segment. Production takes place in Myslowice (Poland), Åtvidaberg (Sweden), Moss (Norway), Vantaa (Finland), Atlanta (US) and Chang'an (China). Most customers are in the MedTech, Point of Sale Applications, CleanTech or Industry market areas.

Key ratios			Apr 2012-	Full-year
Amounts in SEK million unless otherwise stated	Q1-13	Q1-12	Mar 2013	2012
Total sales	259.3	296.3	1,013.5	1,050.4
whereof external sales	256.9	294.4	984.1	1,021.6
Operating profit	-2.1	3.8	-22.1	-16.2
Operating margin	-0.8%	1.3%	-2.2%	-1.5%
Capital turnover, times	3.9	3.8	3.5	3.5

- Owing primarily to a sharp decline for the Information Technology market area, sales for the segment were down by 12%. The Maritime customer segment of the Defense & Maritime market area reported positive growth, chiefly as a result of the focus on the Norwegian offshore industry.
- The segment still operated at a loss, mainly as a result of low capacity utilization at the Norwegian plant.
- Operating capital turnover rate improved further to 3.9 for the quarter.

MACHINING

PartnerTech manufactures milled and turned metal components in this operating segment. In addition to ultramodern and technically sophisticated machinery and advanced skills, PartnerTech has the capacity to handle both large-scale production and prototype manufacturing in close cooperation with the customer. Production takes place in Karlskoga (Sweden) and Myslowice (Poland), and customers come from all market areas, notably Defense & Maritime and Information Technology.

Key ratios			Apr 2012-	Full-year
Amounts in SEK million unless otherwise stated	Q1-13	Q1-12	Mar 2013	2012
Total sales	80.4	89.4	313.5	322.5
whereof external sales	78.1	88.4	304.7	315.1
Operating profit	-2.5	7.9	3.2	13.6
Operating margin	-3.1%	8.8%	1.0%	4.2%
Capital turnover, times	2.8	3.6	2.8	3.0

- Owing primarily to a sharp decline for the Defense customer segment, sales for the segment were down by 10%.
- Lower capacity utilization from customers in Defense also had a negative impact on operating earnings.
- Major cutbacks in production volumes reduced the operating capital turnover rate as well.
- In accordance with the previously announced action program, personnel cutbacks were carried out during the quarter.

OTHER

Other includes income and expense not assigned to the operating areas, primarily intra-group functions at the parent company as well as group-wide adjustments that cannot be allocated to the segments. PartnerTech AB is the parent company in the PartnerTech Group. The company serves primarily as a holding company. The parent company's net sales are for billing of intra-group services.

Reconciliation of Result before tax, Group			Apr 2012-	Full-year
Amounts in SEK million unless otherwise stated	Q1-13	Q1-12	Mar 2013	2012
Electronics	11.4	12.5	40.2	41.3
Systems integration and enclosures	-2.1	3.8	-22.1	-16.2
Machining	-2.5	7.9	3.2	13.6
Other	1.2	-3.0	-10.2	-14.4
Operating profit	8.1	21.1	11.1	24.1
Financial net	-6.0	-0.5	-26.5	-21.1
Result before tax, group	2.1	20.5	-15.4	3.1

EMPLOYEES

The group had 1,443 (1,317) full-time equivalent employees on March 31. The increase is due to the expansion of operations in China, Myslowice and the US.

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the period.

OPTION PROGRAM

Pursuant to a decision of the May 5, 2011 annual general meeting, an option program for the CEO, management team, plant managers and other key employees of the group has been launched. The program runs through May 30, 2014, and new shares based on these warrants can be subscribed for from March 1 to May 30, 2014 at a price of SEK 51.70 each. Ninety-three percent of the approved action program has been subscribed for, which will generate an estimated maximum dilutive effect of approximately 2.7%. The option program is being carried out on market-related terms.

SIGNIFICANT RISKS AND UNCERTAINTIES

Events related to operating activities during 2013 are not deemed to represent any decisive change in terms of essential risks or uncertainties for the PartnerTech Group. A detailed description of PartnerTech's risks, uncertainties and how they are handled appears in the group's 2012 annual report.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. For the parent company, RFR 2, Accounting for Legal Entities, of the Swedish Financial Reporting Board has been followed.

This interim report has applied the same accounting policies and calculation methods as the 2012, annual report, with the exception that Partner Tech complies with the Amended Accounting Standard on Employee Benefits (IAS 19R) as of January 1, 2013. As a result, previously unreported actuarial losses are reported as of the transition date while actuarial gains and losses that arise going forward will be included in other comprehensive income. For transitional effects, please refer to Note 1.

No other new or amended standards or interpretations have had any impact on the group's financial reports for 2013.

UPCOMING FINANCIAL REPORTING

April 24, 2013	Annual General Meeting, Malmö
July 17, 2013	Interim report, January - June
October 25, 2013	Interim report, January – September

PartnerTech AB, April 19, 2013

Leif Thorwaldsson
President and CEO

The company's auditors have not reviewed this interim report.

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Income statement, in summary Group (SEK million)	2013 Q1	2012 Q1	2012 Jan-Dec
Net sales	553.9	610.5	2,242.1
Cost of goods and services sold*	-522.9	-570.3	-2,135.0
Gross profit	31.0	40.3	107.1
Gross margin	5.6%	6.6%	4.8%
Selling and administration costs	-23.3	-24.7	-97.3
Other operating income and costs, net*	0.3	5.5	14.4
Operating profit	8.1	21.1	24.1
Operating margin	1.5%	3.5%	1.1%
Net financial income/expense	-6.0	-0.5	-21.1
Profit/Loss after financial items	2.1	20.5	3.1
Profit margin	0.4%	3.4%	0.1%
Taxes	-0.3	-8.2	-11.0
Profit/Loss for the period	1.8	12.3	-7.9
Net margin	0.3%	2.0%	-0.4%
Depreciation and write downs included in Operating profit	10.4	8.7	40.1
Earnings per share before dilution, SEK	0.14	0.97	-0.63
Earnings per share after dilution, SEK	0.14	0.97	-0.63

The Profit/loss for the period is 100% attributable to the parent company's shareholders.

*Currency effects have from 2012 been reported in Other operating income and costs, net. These have earlier been reported in Cost of goods and services sold. Last year's values for Other operating income and costs, net for the first quarter have been adjusted with opposite effect on Cost of goods and services sold. The adjusted amount was 4,2 SEK million and has decreased the Gross profit.

Statement of comprehensive income Group (SEK million)	2013 Q1	2012 Q1	2012 Jan-Dec
Profit/Loss for the period	1.8	12.3	-7.9
Components to be reclassified to net profit:			
Exchange rate differences arising on translation of foreign operations	-19.1	10.5	9.9
Actuarial gains/loses Note 1	0.0	-0.3	-1.1
Other comprehensive income, net of tax	-19.1	10.3	8.8
Total comprehensive income for the period	-17.3	22.6	0.9

The comprehensive income for the period is 100% attributable to the parent company's shareholders.

Changes in equity Group (SEK million)	2013 Q1	2012 Q1	2012 Jan-Dec
Opening balance	456.6	455.7	455.7
Changes in equity			
Option program	0.0	0.0	0.0
Comprehensive income for the period Note 1	-17.3	22.6	0.9
Closing balance	439.3	478.3	456.6
Number of shares at end of period (thousands)	12,665	12,665	12,665
Average number of shares in the period (thousands)	12,665	12,665	12,665
Equity per share, SEK	34.69	37.77	36.05

Equity is 100% attributable to the parent company's shareholders.

Balance sheet, in summary		2013	2012	2012
Group (SEK million)		31 Mar	31 Mar	31-dec
Assets				
Intangible assets		125.6	133.9	133.7
Tangible assets		185.3	181.7	198.4
Financial assets		0.2	0.2	0.2
Other non-current assets	Note 1	21.0	28.0	22.9
Total non-current assets		332.1	343.8	355.1
Inventories		370.1	378.0	361.5
Accounts receivable		367.0	410.8	310.1
Other current receivables		83.6	55.5	51.8
Cash and bank balances		30.0	62.4	39.4
Total current assets		850.7	906.7	762.7
Total assets		1,182.8	1,250.5	1,117.8
Liabilities and shareholders' equity				
Shareholders' equity	Note 1	439.3	478.3	456.6
Provisions	Note 1	13.4	12.7	13.5
Interest-bearing liabilities		34.9	45.9	42.2
Non interest-bearing liabilities		6.9	5.6	7.2
Total long-term liabilities		41.8	51.4	49.4
Interest-bearing liabilities		257.9	309.0	211.7
Accounts payable		282.6	258.5	259.0
Other current liabilities	Note 1	147.8	140.6	127.6
Total current liabilities		688.3	708.0	598.3
Total liabilities and shareholders' equity		1,182.8	1,250.5	1,117.8

Equity is 100% attributable to the parent company's shareholders.

Note 1 - Impact on Balance sheet statement		2013	2012	2012
due to transition to IAS 19R				
Group (SEK million)		Transition effect per		
		1 Jan 2012	Q1	Jan-Dec
Other non-current assets	2.2	0.0	2.3	2.6
Equity	-5.7	0.0	-6.0	-6.8
Provisions	7.9	0.0	8.2	9.3
Other current liabilities	0.0	0.0	0.0	0.0

Partner Tech complies with the Amended Accounting Standard on Employee Benefits (IAS 19R) as of January 1, 2013. As a result, previously unreported actuarial losses are reported as of the transition date while actuarial gains and losses that arise going forward will be included in other comprehensive income.

Cash flow statement, in summary		2013	2012	2012
Group (SEK million)		Q1	Q1	Jan-Dec
Operating profit		8.1	21.1	24.1
Items in operating profit not impacting cash flow as well as interests and taxes		4.2	6.5	22.0
Change in funds tied up in operations		-60.0	-39.2	77.9
Cash flow operating activities		-47.7	-11.6	124.0
Cash flow investing activities		-3.7	-6.7	-44.1
Cash flow after investments		-51.5	-18.2	79.9
Cash flow financing activities		42.5	38.9	-82.0
Translation differences in liquid assets		-0.3	0.4	0.1
Change in liquid assets		-9.3	21.1	-2.0
Cash flow per share		-0.74	1.66	-0.16

Income statement, in summary	2013	2012	2012
Parent company (SEK million)	Q1	Q1	Jan-Dec
Net sales	23.0	21.9	93.6
Cost of services sold	-9.8	-11.9	-49.9
Gross profit	13.2	10.0	43.7
Selling and administration costs	-12.5	-13.2	-52.3
Other operating income and costs, net	-0.1	-	-0.1
Operating profit	0.7	-3.2	-8.7
Net financial income/expense	-2.3	1.5	9.4
Profit/Loss after financial items	-1.6	-1.8	0.7
Taxes	-0.1	-0.1	0.0
Profit/Loss for the period	-1.7	-1.9	0.7

Statement of comprehensive income	2013	2012	2012
Parent company (SEK million)	Q1	Q1	Jan-Dec
Profit/Loss for the period	-1.7	-1.9	0.7
Other comprehensive income, net of tax:			
Fair value reserve	-1.5	-1.5	-1.2
Total comprehensive income for the period	-3.2	-3.4	-0.5

Balance sheet, in summary	2013	2012	2012
Parent company (SEK million)	31 Mar	31 Mar	31-dec
Assets			
Tangible assets	0.2	0.7	0.2
Financial assets	530.6	609.5	535.8
Other non-current assets	0.9	0.6	0.5
Total non-current assets	531.7	610.8	536.6
Other current receivables	133.8	81.6	82.8
Cash and bank balances	4.3	31.8	24.4
Total current assets	138.1	113.5	107.2
Total assets	669.8	724.2	643.7
Liabilities and shareholders' equity			
Shareholders' equity	472.5	472.7	475.6
Interest-bearing liabilities	5.5	-	6.4
Non interest-bearing liabilities	-	0.1	-
Total long-term liabilities	5.5	0.1	6.4
Interest-bearing liabilities	63.0	36.4	3.7
Accounts payable	3.2	3.3	3.6
Other current liabilities	125.5	211.8	154.5
Total current liabilities	191.8	251.5	161.8
Total liabilities and shareholders' equity	669.8	724.2	643.7

PartnerTech's Market Areas



INFORMATION TECHNOLOGY

Customers in this area are fueled by rapid technological progress, and PartnerTech often receives major orders for production of advanced, encapsulated electronics (box build assembly). The short life cycles that frequently characterize the products require short time-to-market and ramp-up to large-scale production, for which Poland or China are perfectly suited.



INDUSTRY

Customers in this area are linked to industry and are spread throughout a number of different sectors. PartnerTech's main assignments are products and subsystems for most industrial applications, such as operator panels and power & range control units. The company's established supply chain in Asia, Europe and the United States is well adapted to the growing need for final assembly at the regional level, along with the area's stringent requirements when it comes to durability, flexibility and cost-effectiveness.



CLEANTECH

The expanding CleanTech market area reflects the direction of public policy and regulations. Customers outsource both components and systems and are increasingly demanding regional production. PartnerTech's skills and experience in mechanics, electronics and systems integration provide a solid foundation for production, and customers often take advantage of the company's integrated expertise.



MEDTECH & INSTRUMENTATION

Customers in this area are subject to strict technical, regulatory and safety standards. PartnerTech, which possesses far-reaching skills in the development and production of medical devices and instruments, meets both basic standards and industry-specific requirements such as ISO 13485. The company has also delivered to the U.S. market for many years and is well acquainted with FDA requirements.



DEFENSE & MARITIME

The products of customers in this area, such as the oil industry and maritime applications, are often designed for inaccessible and demanding environments in which quality, safety and security are crucial. PartnerTech typically manufactures components and subsystems characterized by precise tolerance, quality and traceability requirements. Customer relationships tend to be long-term. PartnerTech meets AS 9100 and a number of other industry-specific standards.



POINT OF SALES APPLICATIONS

Strict technical requirements for product function represent a distinctive feature of this area. Users demand a high level of accessibility and cannot afford to lose bills, coins or other valuables due to equipment that is out of order. Thus, superior technical solutions and production quality are vital. PartnerTech has many years of experience and skills when it comes to developing and manufacturing products with large mechatronic content. Customers often outsource production of complete systems.

DEFINITIONS

Operating margin	Operating profit/loss as a percentage of net sales
Profit margin	Profit/loss after net financial income/expense, as a percentage of net sales
Return on operating capital	Operating profit/loss, as a percentage of average operating capital
Return on equity	Net profit/loss as a percentage of average equity
Working capital	Operating capital less intangible and tangible non-current assets
Operating capital	Total assets less financial assets, other non-current assets, current tax assets, financial derivatives and cash and cash equivalents, and less non-interest-bearing liabilities (excluding tax liabilities, financial derivatives and provisions)
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents
Annual capital turnover ratio	Net sales divided by average operating capital
Equity/assets ratio	Equity as a percentage of total assets
Earnings per share after tax	Net profit/loss divided by average number of shares