

Growth in the fourth quarter, improved profitability and strong cash flow for the full year

Fourth quarter sales increased from the year-ago period by 6% in local currency to SEK 582 million, a distinct improvement. Similarly, operating earnings rose substantially to SEK 10 million. The year started off slowly but we have seen a recovery in the latter part of the year. Many of our existing customers experienced a rough year, but we made up for it with solid sales to new customers. We also began seeing results of the adjustments we carried out at several parts of the group during the year. We made major headway in adapting our Norwegian business, where the Oil&Gas subsegment exhibited growth, although from a low level. We streamlined the electronics production at our smaller units and successfully adjusted for lower volumes of technically advanced products. Machining enjoyed increased orders received from a number of new non-defense customers. The overall impact of these changes was a stable structure for further development of our attractive global offering by increasing the share of our service volumes in product development and after-sales. The ultimate goal is to serve as an industrial partner able to increasingly offer our customers complete solutions throughout the product life-cycle.



Leif Thorwaldsson, President and CEO

Fourth quarter of 2013

- Net sales were SEK 582 million (550)
- Operating profit totaled SEK 10 million (-18)
- Profit after tax was SEK 1 million (-22)
- Earnings per share after tax amounted to SEK 0.07 (-1.73)
- Cash flow after investments amounted to SEK 97 million (66)

January-December 2013

- Net sales were SEK 2,237 million (2,242)
- Operating profit totaled SEK 32 million (24)
- Profit after tax was SEK 7 million (-8)
- Earnings per share after tax amounted to SEK 0.53 (-0.63)
- Cash flow after investments amounted to SEK 47 million (80)
- The equity/assets ratio was 40 (41) on December 31
- The Board proposes a dividend of SEK 0.50 per share (no dividend 2012)

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 8.20 am on February 12th, 2014.

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 Malmö, Sweden, and is listed on the Nasdaq OMX Stockholm Exchange.

Key ratios			Jan-Dec	Jan-Dec
Amounts in SEK million unless otherwise stated	Q4-13	Q4-12	2013	2012
Net sales	581.6	550.3	2,237.1	2,242.1
Operating profit	9.9	-18.2	31.7	24.1
Operating margin	1.7%	-3.3%	1.4%	1.1%
Annual capital turnover ratio, times	3.4	3.2	3.3	3.1
Return on operating capital	5.8%	-10.6%	4.7%	3.3%
Return on equity	0.8%	-18.5%	1.5%	-1.7%
Operating capital	645.8	662.5	645.8	662.5
Equity	466.9	456.3	466.9	456.3
Interest-bearing net debt	182.5	214.6	182.5	214.6
Equity/assets ratio	40.2%	40.8%	40.2%	40.8%

FULL YEAR AND THE FOURTH QUARTER

Fourth quarter sales totaled SEK 581.6 million (550.3). That represented an increase of 5.6% in local currency from the same period of 2012. Full-year sales were on a par with 2012 at SEK 2,237.1 million (2,242.1), an increase of 0.8% in local currency.

Operating profit was SEK 9.9 million (-18.2) in the fourth quarter. Full-year operating profit was SEK 31.7 million (24.1), an increase that was primarily due to the Electronics operating segment. Systems Integration generated higher operating profit during the year, even considering the fact that non-recurring items reduced the 2012 outcome. Owing to a sharp decline in capacity utilization, operating profit at Machining was down substantially during the year.

Fourth quarter net financial expense was SEK -0.6 million (-5.0), including SEK -1.4 million (-1.9) in net interest expense. Net financial expense for the full year was SEK -11.9 million (-21.1). Lower unrealized exchange-rate effects, compared to last year, had a positive impact on net financial expense.

Fourth quarter effective tax was negatively affected by the fact that additional deferred tax assets were not taken into consideration for units with negative result.

Due mainly to higher operating profit, cash flow from operating activities after investments totaled SEK 96.7 million (65.7) for the fourth quarter. The full-year figure was SEK 47.0 million (79.9). Working capital was SEK 319.2 million (330.5) at the end of the period. Due to our ongoing capital efficiency effort, operating capital turnover was better than 2012 for both the fourth quarter and the full year.

Interest-bearing net debt was SEK 182.5 million (214.6) at the end of the year, a sharp decrease compared to 2012.

Equity totaled SEK 466.9 million (456.3) at the end of the year. Translation effects on equity as a result of exchange rate fluctuations during the quarter were SEK 14.2 million (10.8). The full-year impact was SEK 3.2 million (9.9). As the result of compliance with IAS 19R as of January 1, 2013, comparison figures for 2012 were also converted. The new policy reduced reported equity by SEK 7.1 million. For additional information, refer to Note 1.

SIGNIFICANT EVENTS DURING THE YEAR

PartnerTech announced in January that it had signed a framework agreement with CybAero to assemble autonomous, unmanned helicopters and systems developed by the company.

PartnerTech and Cavid AB, which designs innovative healthcare and life science applications, signed a framework agreement in May for the development of HIV testing instruments.

PartnerTech AB and Securitas Direct Verisure, the leading European provider of connected home alarms, signed a framework agreement in November.

EVENTS AFTER THE END OF THE PERIOD

No significant events have been reported after the accounting date.

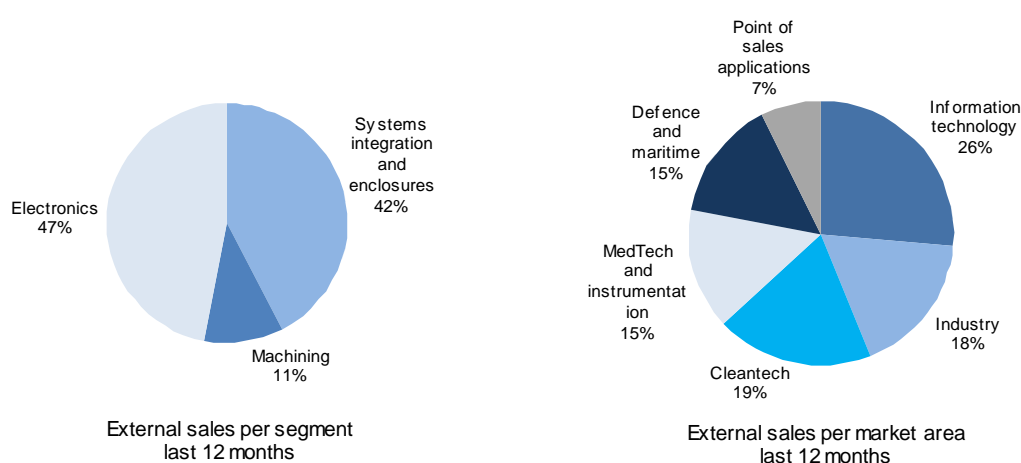
OPERATING SEGMENT REPORTING

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 Malmö (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			Jan-Dec	Jan-Dec
Amounts in SEK million unless otherwise stated	Q4-13	Q4-12	2013	2012
Total sales	312.5	256.1	1,150.8	1,046.5
whereof external sales	280.5	225.0	1,049.6	905.4
Operating profit	24.1	6.6	72.4	41.3
Operating margin	7.7%	2.6%	6.3%	3.9%
Capital turnover ratio, times	3.8	3.3	3.7	3.2

- The segment performed better during the year, including improved profitability due to high capacity utilization at a number of plants.
- Due primarily to higher volumes for the Point of Sales, Defense & Maritime and Information Technology market areas, the segment reported a 22% increase in sales during the fourth quarter.
- Quarterly and full-year return on operating capital exceeded the group target of 20%.

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			Jan-Dec	Jan-Dec
Amounts in SEK million unless otherwise stated	Q4-13	Q4-12	2013	2012
Total sales	251.8	256.9	966.4	1,050.4
whereof external sales	247.0	247.2	949.6	1,021.6
Operating profit	1.5	-15.8	-10.7	-16.2
Operating margin	0.6%	-6.2%	-1.1%	-1.5%
Capital turnover ratio, times	3.6	3.7	3.5	3.5

- The segment's sales declined during the year as a result of the phase-out of volumes from a major customer that has been acquired by a global group.
- Mostly due to lower volumes for Industry and MedTech, sales for the segment declined by 2% in the fourth quarter. Owing primarily to the Oil&Gas subsegment, Defense & Maritime nevertheless enjoyed a substantial increase.
- The Åtvidaberg unit reported growth and solid profitability for the year.

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			Jan-Dec	Jan-Dec
Amounts in SEK million unless otherwise stated	Q4-13	Q4-12	2013	2012
Total sales	56.7	81.1	247.6	322.5
whereof external sales	54.1	78.2	237.9	315.1
Operating profit	-4.8	-1.1	-22.9	13.6
Operating margin	-8.5%	-1.3%	-9.2%	4.2%
Capital turnover ratio, times	2.5	3.0	2.4	3.0

- The segment's operating profit was substantially lower than 2012, mainly due to the sharp decline for the Defense segment
- Due to a sharp decline for the Defense customer segment, sales for the segment were down by 30% during the quarter. The Oil&Gas subsegment continued to perform better, although from low levels, while the Maritime segment exhibited growth.
- The Aerodyn unit generated profitability and favorable growth for 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 group result before tax			Jan-Dec	Jan-Dec
SEK million	Q4-13	Q4-12	2013	2012
Electronics	24.1	6.6	72.4	41.3
Systems integration and enclosures	1.5	-15.8	-10.7	-16.2
Machining	-4.8	-1.1	-22.9	13.6
Other	-10.8	-7.9	-7.2	-14.4
Operating profit	9.9	-18.2	31.7	24.1
Financial net	-0.6	-5.0	-11.9	-21.1
Group result before tax	9.3	-23.2	19.8	3.1

EMPLOYEES

The number of full-time equivalent employees averaged 1,378 (1,354) in 2013. The group had 1,268 (1,391) full-time equivalent employees at the end of the year.

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 option 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, the Annual Accounts Act and RFR 2, Accounting for Legal Entities, of the Swedish Financial Reporting Board have been followed.

This interim report has used the same accounting policies and calculation methods as the 2012, annual report, with the exception that PartnerTech 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, refer to Note 1.

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

DIVIDEND

The board has resolved to propose that the annual general meeting approve a dividend of SEK 0.50 per share

ANNUAL REPORT

The 2013 annual report will be published at www.partnertech.com during week 14, 2014. A print version will be sent to the shareholders and other interested parties who have been registered for that purpose. Others who want to order a hardcopy may send their first name, last name and complete mailing address to annualreport@partnertech.com by Monday, March 3, 2014.

ANNUAL GENERAL MEETING

The PartnerTech annual general meeting will be called to order at 3 pm on Monday, April 28, 2014 at Malmö Börshus, Skeppsbron 2.

Shareholders who have an item that they would like the meeting to consider should submit it to the company no later than seven weeks in advance. Address the matter to the board and send it to PartnerTech AB, Attn: Maria Galvin, Box 223, SE-201 22 Malmö, Sweden, or write to her at maria.galvin@partnertech.se

NOMINATING BOARD MEMBERS

Shareholders wishing to propose board members ahead of the upcoming annual general meeting may contact the nominating committee, which is chaired by Henrik Blomquist of Bure Equity.

Shareholders who would like to contact the nominating committee may write to Maria Galvin at maria.galvin@partnertech.se

UPCOMING FINANCIAL REPORTING

April 22, 2014	Interim Report January-March (Note: new date!)
April 28, 2014	Annual General Meeting
July 16, 2014	Interim Report January-June
October 23, 2014	Interim Report January-September

PartnerTech AB, February 12, 2014

Patrik Tigerschiöld
Chairman of the Board

Leif Thorwaldsson
President and CEO

Bengt Engström

Gösta Johannesson

Mikael Johansson

Henrik Lange

Lennart Pettersson

Lotta Stalin

Petter Stillström

Thomas Thuresson

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

For additional information, feel free to call:
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Income statement, in summary	2013	2012	2013	2012
Group (SEK million)	Q4	Q4	Jan-Dec	Jan-Dec
Net sales	581.6	550.3	2,237.1	2,242.1
Cost of goods and services sold	-550.1	-546.0	-2,113.3	-2,135.0
Gross profit	31.5	4.4	123.7	107.1
Gross margin	5.4%	0.8%	5.5%	4.8%
Selling and administration costs	-19.6	-24.6	-89.4	-97.3
Other operating income and costs, net	-1.9	2.1	-2.6	14.4
Operating profit	9.9	-18.2	31.7	24.1
Operating margin	1.7%	-3.3%	1.4%	1.1%
Net financial income/expense	-0.6	-5.0	-11.9	-21.1
Profit/Loss after financial items	9.3	-23.2	19.8	3.1
Profit margin	1.6%	-4.2%	0.9%	0.1%
Taxes	-8.4	1.2	-13.1	-11.0
Profit/Loss for the period	0.9	-21.9	6.7	-7.9
Net margin	0.2%	-4.0%	0.3%	-0.4%
Depreciation and write downs included in operating profit	11.8	10.6	43.6	40.1
Earnings per share before dilution, SEK	0.07	-1.73	0.53	-0.63
Earnings per share after dilution, SEK	0.07	-1.73	0.53	-0.63

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

Statement of comprehensive income	2013	2012	2013	2012
Group (SEK million)	Q4	Q4	Jan-Dec	Jan-Dec
Profit/Loss for the period	0.9	-21.9	6.7	-7.9
Components to be reclassified to net profit:				
Exchange rate differences arising on translation of foreign operations	14.2	10.8	3.2	9.9
Actuarial gains/loses Note 1	0.7	-0.3	0.7	-1.1
Other comprehensive income, net of tax	14.8	10.5	3.9	8.8
Total comprehensive income for the period	15.8	-11.4	10.6	0.9

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

Statement of changes in equity	2013	2012	2013	2012
Group (SEK million)	Q4	Q4	Jan-Dec	Jan-Dec
Opening balance	451.1	474.5	456.3	461.4
Changes in equity				
Change in accounting rules Note 1	-	-6.8	-	-6.0
Comprehensive income for the period	15.8	-11.4	10.6	0.9
Closing balance	466.9	456.3	466.9	456.3
Number of shares at end of period (thousands)	12,665	12,665	12,665	12,665
Average number of shares in the period (thousands)	12,665	12,665	12,665	12,665
Equity per share, SEK	36.86	36.03	36.86	36.03

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

Balance sheet, in summary		2013	2012
Group (SEK million)		31 Dec	31 Dec
Assets			
Intangible assets		132.8	133.7
Tangible assets		193.8	198.4
Financial assets		0.2	0.2
Other non-current assets	Note 1	20.0	23.0
Total non-current assets		346.7	355.2
Inventories		312.7	361.5
Accounts receivable		393.9	310.1
Other current receivables		50.7	51.8
Cash and bank balances		58.7	39.4
Total current assets		816.1	762.7
Total assets		1,162.8	1,118.0
Liabilities and shareholders' equity			
Shareholders' equity	Note 1	466.9	456.3
Interest-bearing liabilities		26.8	42.2
Non interest-bearing liabilities		-	7.2
Other provisions	Note 1	16.0	14.0
Total long-term liabilities		42.8	63.4
Interest-bearing liabilities		214.5	211.7
Accounts payable		315.8	259.0
Other current liabilities		121.7	127.6
Other provisions		1.1	-
Total current liabilities		653.2	598.3
Total liabilities and shareholders' equity		1,162.8	1,118.0

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

Note 1 - Impact on Balance sheet statement		Transition	2012
due to transition to IAS 19R		effect per	
Group (SEK million)		1 Jan 2012	31 Dec
Other non-current assets		2.3	2.7
Equity		-5.9	-7.1
Provisions		8.1	9.8
Other current liabilities		0.0	0.0

PartnerTech 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	2013	2012
Group (SEK million)		Q4	Q4	Jan-Dec	Jan-Dec
Operating profit		9.9	-18.2	31.7	24.1
Items in operating profit not impacting cash flow as well as interests and taxes		8.5	10.7	26.9	22.0
Change in funds tied up in operations		82.8	88.5	13.3	77.9
Cash flow operating activities		101.3	81.0	71.9	124.0
Cash flow investing activities		-4.6	-15.3	-24.9	-44.1
Cash flow after investments		96.7	65.7	47.0	79.9
Cash flow financing activities		-59.3	-56.7	-28.0	-82.0
Translation differences in liquid assets		0.7	0.3	0.4	0.1
Change in liquid assets		38.0	9.3	19.4	-2.0
Cash flow per share		3.00	0.73	1.53	-0.16

Income statement, in summary	2013	2012
Parent company (SEK million)	Jan-Dec	Jan-Dec
Net sales	79.5	93.6
Cost of services sold	-30.8	-49.9
Gross profit	48.8	43.7
Selling and administration costs	-50.5	-52.3
Other operating income and costs, net	0.4	-0.1
Operating profit	-1.3	-8.7
Net financial income/expense	-12.4	9.4
Profit/Loss after financial items	-13.7	0.7
Taxes	-0.1	0.0
Profit/Loss for the period	-13.8	0.7

Statement of comprehensive income	2013	2012
Parent company (SEK million)	Jan-Dec	Jan-Dec
Profit/Loss for the period	-13.8	0.7
Other comprehensive income, net of tax:		
Fair value reserve	1.8	-1.2
Total comprehensive income for the period	-11.9	-0.5

Balance sheet, in summary	2013	2012
Parent company (SEK million)	31 Dec	31 Dec
Assets		
Tangible assets	0.2	0.2
Financial assets	540.6	535.8
Other non-current assets	0.0	0.5
Total non-current assets	540.8	536.6
Other current receivables	81.9	82.8
Cash and bank balances	34.0	24.4
Total current assets	115.9	107.2
Total assets	656.8	643.7
Liabilities and shareholders' equity		
Shareholders' equity	463.7	475.6
Interest-bearing liabilities	2.8	6.4
Total long-term liabilities	2.8	6.4
Interest-bearing liabilities	3.7	3.7
Accounts payable	5.8	3.6
Other current liabilities	180.9	154.5
Total current liabilities	190.3	161.8
Total liabilities and shareholders' equity	656.8	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