FINNVEDENBULTEN

" In 2013 FinnvedenBulten strengthened its operating earnings, increased sales and initiated and implemented essential structural measures. "

JOHAN WESTMAN, PRESIDENT AND CEO

Annual Report 2013

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FINANCIAL INFORMATION

2013 in brief

QUARTER 1, JANUARY – MARCH

WEAK SALES, BUT GRADUAL INCREASE IN ORDER BOOKINGS COMPARED TO Q3 AND Q4 LAST YEAR

Compared with Q4 2012, order bookings increased considerably. Cost reductions and ongoing efficiency improvements were prioritized and FinnvedenBulten continued to win new business thanks to Bulten's Full Service Concept and Finnveden Metal Structures' multi-material offer. Compared to Q1 2012 sales fell by 12% as a consequence of the weak business cycle and lower production rate in the European automotive sector. When adjusted for currency effects the sales fell by 10%. In addition, continued production disturbances at one of the company's largest customers had a significant impact on the volumes during the quarter.

QUARTER 2, APRIL – JUNE

STRONG Q2 RESULT AND GOOD CASH FLOW. MAJOR RESTRUCTURING INITIATED IN FOUNDRY BUSINESS

The recovery in sales and order bookings noted at the end of the first quarter continued in the second quarter. Higher delivery volumes and increased capacity utilisation combined with implemented rationalisations had a significant impact on earnings compared with the previous quarter. The Bulten division continued to be successful with its FSP concept (Full Service Provider). Higher delivery and production volumes from both current and new contracts had a positive impact on profitability. The profitability of the Finnveden Metal Structures division improved compared with the previous quarter due to higher delivery and production volumes and implemented rationalisation measures.

FinnvedenBulten initiated restructuring of the foundry business by concentrating the European magnesium die casting to Poland

Further measures in addition to those initiated in May were launched to improve profitability for die cast components. Finnveden Metal Structures began streamlining of the foundry business by concentrating the magnesium die casting to Poland. The factory in Sweden was streamlined for aluminium die casting and the company started the work in finding new owners for the business. The measure is expected to reach earning improvements of approximately SEK 30 million per year compared with the outcome in 2012.

QUARTER 3, JULY - SEPTEMBER

GOOD GROWTH AND IMPROVEMENT IN PROFIT MARGIN. SIGNIFICANT BUSINESS SECURED FOR THE BULTEN DIVISION

The Group's earnings rose compared with the same period last year due to higher and more consistent delivery volumes and ongoing and completed rationalisation measures. The strong demand noted in Q2 continued during the seasonally weaker Q3, which resulted in good order bookings and stable loading at our production units. The profitability of the Finnveden Metal Structures division improved compared with the corresponding quarter last year, mainly due to increased volumes and ongoing rationalisation measures, where streamlining of the foundry business had highest priority.

FinnvedenBulten was awarded major FSP contract with an annual value of approximately EUR 35 million

In September, division Bulten was awarded a new significant contract to a major automotive manufacturer corresponding to an annual order value of approximately EUR 35 million, of which EUR 30 million was additional business. The technical competences within the Bulten division, along with many years of experience of successfully supplying complex and critical fasteners to the automotive industry, were the main contributors in winning this contract. The deliveries will continue over a number of years, starting early 2014 and with estimated full delivery capacity in 2015.

QUARTER 4, OCTOBER - DECEMBER

GOOD FINISH TO 2013, STRONG ORDER BOOKINGS AND UNCHANGED DIVIDEND

The Group's operating earnings were strengthened during the year due to higher volumes and the effects of the ongoing restructuring. Demand improved steadily and the positive trends continued into the final quarter.

The FSP concept (Full Service Provider) within division Bulten continued to generate market shares and the profitability for Finnveden Metal Structures improved due to higher volumes combined with restructuring measures. Implementation of the decision to focus magnesium casting to Poland progressed well and an agreement concerning the sale of the aluminium business was signed after the end of the period.

To further improve business focus and clarify the value in each division, the Board and management initiated an evaluation of a split of the Group during 2014. The aim of this evaluation is to optimise the divisions' future opportunities and to achieve long-term added value for shareholders.

FinnvedenBulten wins new business of an annual value of approximately SEK 240 million

During Q4, FinnvdenBulten continued to grow and won several deals corresponding to approximately SEK 240 million annually. These, together with the previously announced deal from September 2013 of approximately SEK 270 million (30 MEUR) along with Bulten's planned production start in Russia, are expected to generate a substantial organic growth for FinnvedenBulten. The new business stem from a number of different contracts of which the main part from Bulten's FSP concept.

FinnvedenBulten signed a strategically important contract with automotive manufacturer in China

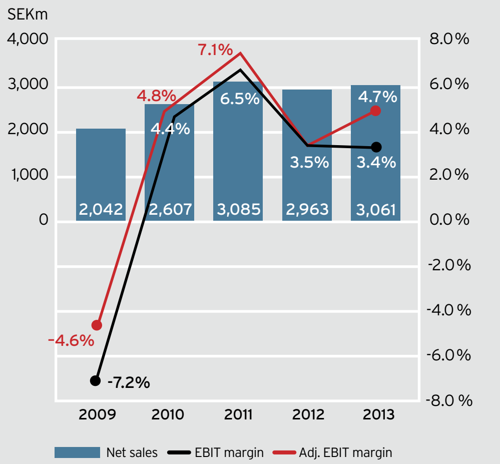
In December, division Bulten signed a strategically important contract for delivery of fasteners to an automotive manufacturer in China and thereby strengthened its presence on the Chinese market. The annual order value was approximately SEK 10 million and continues over a number of years.

KEY INDICATORS

	2013	2012	2011	2010	2009
Net sales	**3,061**	2,963	3,085	2,607	2,042
EBITDA margin, %	**6.3**	6.1	8.9	7.1	-2.9
EBIT margin (operating margin), %	**3.4**	3.5	6.5	4.4	-7.2
Adjusted EBIT margin (operating margin), %	**4.7**	3.5	7.1	4.8	-4.6
Capital turnover rate, times	**2.2**	2.3	2.4	2.2	1.8
Return on capital employed, %	**7.8**	8.2	15.4	9.5	Neg
Adjusted Return on capital employed, %	**10.6**	8.2	16.8	10.4	Neg
Net debt/equity ratio, times	**0.2**	0.2	0.2	1.3	1.9
Adjusted net debt/equity ratio, times	**0.2**	0.2	0.2	0.2	0.3
Interest coverage ratio, times	**5.9**	6.9	4.3	1.5	-1.2
Equity/assets ratio, %	**53.0**	55.7	54.3	25.9	21.2
Adjusted equity/assets ratio, % *	**53.0**	55.7	54.3	48.8	45.6
Average no. of employees	**1,837**	1,810	1,746	1,576	1,451

* Adjusted equity/assets ratio includes shareholder loan and preference shares.

SALES TURNOVER, OPERATING MARGIN AND ADJUSTED OPERATING MARGIN



This is FinnvedenBulten

FinnvedenBulten develops and manages industrial businesses, offering products, technical solutions and systems in metallic materials. The Group operates as a business partner to international customers in the engineering industry, primarily the automotive industry.

FinnvedenBulten's net sales in 2013 amounted to SEK 3,061 million and the number of employees at the turn of the year was 1,837. The company was listed on NASDAQ OMX Stockholm in May 2011 and had 3,153 shareholders at the turn of the year 2013.

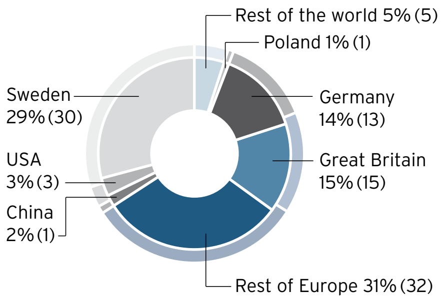
FinnvedenBulten is structured into two divisions – Bulten and Finnveden Metal Structures – both with strong positions in their respective customer segments.

Division Bulten develops and manufactures fasteners for the global automotive industry. Bulten is one of the few players in Europe offering complete responsibility throughout the whole value chain for fasteners from product development to final delivery to the customer through its full service concept (FSP). Fasteners are important components in the manufacture of passenger cars and commercial vehicles and demand is primarily controlled by production in the automotive industry.

Division Finnveden Metal Structures manufactures products in steel and magnesium, previously also in aluminium, or in combinations of these materials. The principal manufacturing processes are stamping, die casting and assembly. The components include interior, chassis and body components for the automotive industry and also customized components for general industry.

Net sales per geographic market*

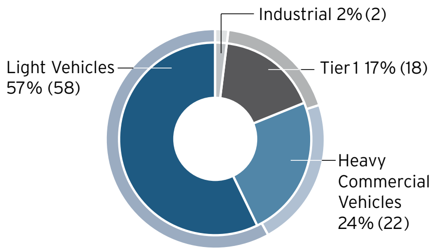
Outer circle shows outcome in 2012



*Denotes where customer's production is located. Components for vehicles built in Europe that are then exported to China, for example, are not therefore included in the volumes shown for China.

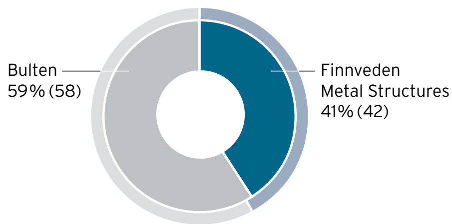
Sales per customer segment

Outer circle shows outcome in 2012



Net sales per division, %

Outer circle shows outcome in 2012



HISTORY

FINNVEDEN

1982 Finnveden founded in Värnamo, Sweden.

1983 Finnveden listed on the Stockholm Stock Exchange.

1986 Skogslunds Fabriks AB in Gnosjö, Sweden, acquired by Finnveden.

1991 Finnveden acquired BUFAB.

1997 AGÅ Maskiner in Reftele acquired by Finnveden.

1998 Finnveden acquired LPI Precision AB, containing among other things Gjutal in Hultsfred.

1999 Mekanoverken in Forsheda and GMF (Gunnar Mattson Frost) in Mora, both Sweden, acquired by Finnveden.

2000 Volvo PV's northern plant in Olofström, Sweden, acquired by Finnveden.

BULTEN

1873 Bultfabriks AB established in Hallstahammar, Sweden.

1983 Göteborgs Bult & Nagelfabrik (established 1898) acquired by Bulten.

1995 Bulten acquired plant in Bergkamen, Germany.

1996 Bulten acquired plant in China.

1997 Bulten listed on the Stockholm Stock Exchange.

1998 Bulten acquired plant in Bielsko-Biala, Poland.

Production and operations

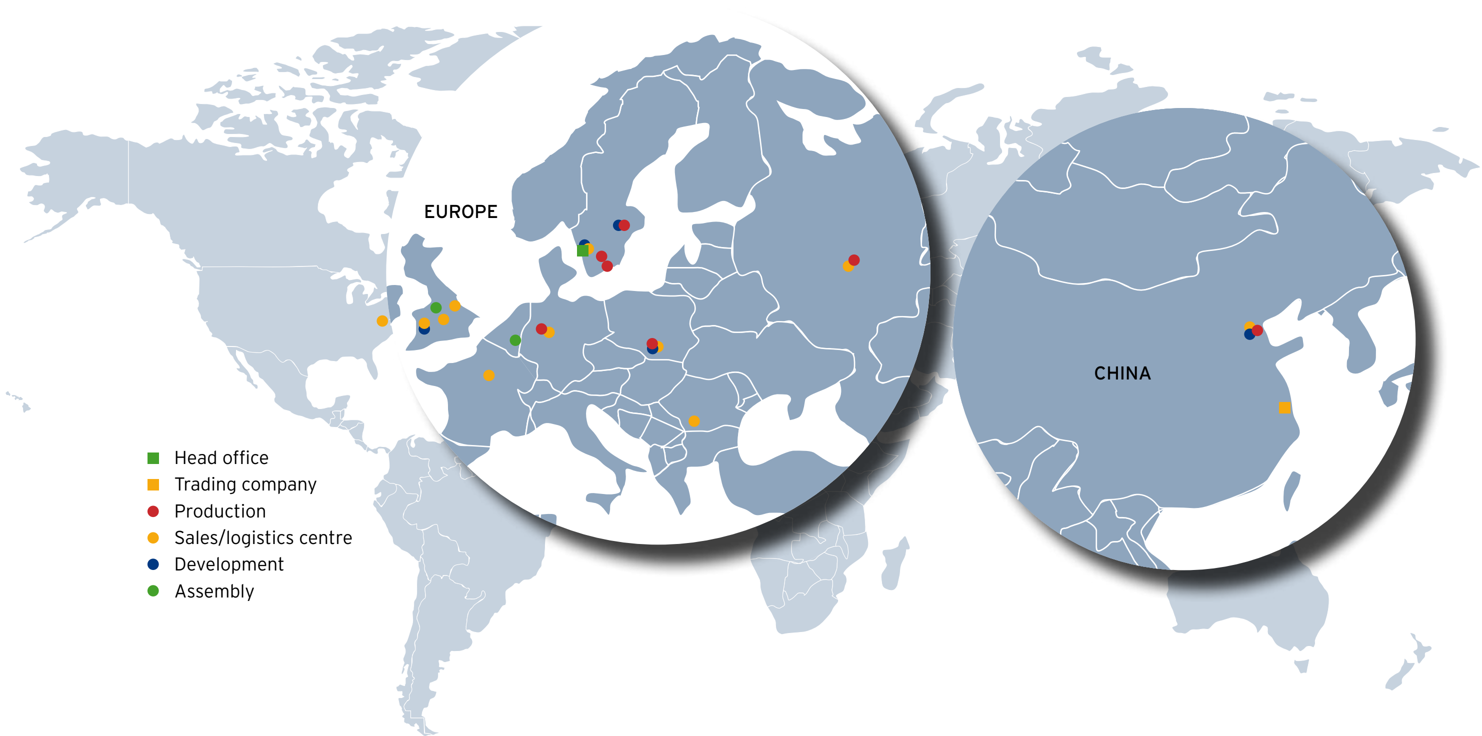
Production primarily takes place in Europe and Asia. The Group has considerable production in Bielsko-Biala, Poland where the Group has three plants for production of fasteners, sheet metal components and die cast magnesium components.

The Group has an established low-cost production for fasteners in Beijing, China since 1996. The plant moved to new premises in 2009 and is now a fasteners unit with major growth potential. FinnvedenBulten also has a trading company in Shanghai.

During the year the establishment in Russia has continued. A company is formed and production start-up is expected during the first half of 2014.

The Group's logistic capacity has strengthened and investments in logistics centres in Scunthorpe, UK, Bielsko-Biala, Poland and a logistic hub in Hagerstown, USA have been initiated.

Furthermore, the Group has operations in Europe and Asia such as sales offices, logistics, development and JIT centres. The Group's head office is located in Gothenburg, Sweden.



2001
Finnveden acquired Bulten, which was then delisted from the Stockholm Stock Exchange.

2002
Stamping unit in Reftele, Sweden, closed down and production transferred to other units.

2003
Headquarters moved to Gothenburg,Sweden.

Stamping unit in Gnosjö, Sweden, and the fastener production in Kalix, Sweden are closed down and production transferred to other units.

2004
Factory building for sheet stamping in Bielsko-Biala, Poland, acquired by Finnveden.

EuCD-contract signed with Ford, Volvo Cars and Land Rover. Development of the platform begins.

2005
Finnveden acquired by Nordic Capital, delisted from the Stockholm Stock Exchange.

Finnveden Metal Structures established foundry unit in Bielsko-Biala, Poland.

Business area BUFAB divested from Finnveden.

2006
Stamping unit in Vansbro, Sweden, closed down. Machines and customer contracts were moved to Bielsko-Biala, Poland.

2007
Business area Finnveden Powertrain divested to Gnutti Carlo.

2008
The company was awarded FSP-contract by Ford Europe and became main supplier of fasteners.

2010
Stamping unit in Mora, Sweden, closed down and production transferred to other units.

2011
Name change of company to FinnvedenBulten.

FinnvedenBulten listed on NASDAQ OMX Stockholm.

2012
One strategically important agreement was signed concerning establishment in Russia.

2013
Division Bulten signs significant FSP-contract.

Division Finnveden Metal Structures streamlines the die casting operations.

A year of gradual recovery and strong order bookings

In 2013 FinnvedenBulten strengthened its operating earnings, increased sales and initiated and implemented essential structural measures. For the last quarter we reported our highest order bookings ever and we moved forward our positions significantly, especially in the Bulten division, which, thanks to strong growth, has secured future global expansion. Structural measures within the Finnveden Metal Structures division have been carried out with good results and the division has improved its competitiveness and its position in Europe. Future prospects for both divisions are good – as part of the Group or as separate companies.

There was a cautious start to 2013, but demand picked up and by the end of the year we were reporting record-high order bookings. Revenues for the Group for the year amounted to around SEK 3 billion, up 3.3% on the previous year. This can be compared with the sector as a whole, which weighted for FinnvedenBulten's exposure, decreased by 0.7%[1].

Our increase shows that we continue to be strong competitively and I want to thank all members of staff for their exceptional contribution and commitment over the past year which has contributed greatly to our success.

FSP concept increased incoming orders

Our strengthened market share is mainly attributable to the Bulten division, where we continued to win ground during the year with our Full Service Provider concept. Incoming orders in the autumn were exceptional, with new major contracts signed. This new business has an annual value of around SEK 500 million at full pace. Deliveries, that will continue over several years, have already started and will continue over several years with full volume expected in 2015, with relatively limited start-up costs. Bulten's FSP concept also has every prospect of securing similar business in coming years.

Strengthened result also thanks to rationalisations

Demand, which has risen steadily during the year, was beneficial from a production view, with gradually increased loading at our plants having positive effects on earnings. We have also during the year worked proactively to identify and implement structural changes in order to optimise production.

In late spring we decided to restructure our foundry business in the Finnveden Metal Structures division by concentrating the European magnesium casting to our plant in Poland. The restructuring was successful and is expected to be concluded in Q1 2014. The plant in Sweden was streamlined to focus on aluminium casting and this business was divested satisfactorily at the start of 2014.

In summary, the higher volumes and completed rationalisation meant that the Group's operating earnings, adjusted for non-recurring items of around SEK 39 million for the full year, strengthened to around SEK 144 million, a profit margin of 4.7%.

Strengthened platform for both divisions

Now that we are already well into 2014 we can see that the measures we implemented and the commercial successes last year have given both divisions much improved conditions. For Bulten, the task is to execute the new contracts with their significant volume growth. We will soon also start production in Russia. The Russian company, jointly owned with GAZ, will be consolidated as a subsidiary in the FinnvedenBulten Group and is expected to initially boost volumes annually by around SEK 90 million at full pace. There is great interest from new and potential customers in Russia and volumes are expected to increase gradually.

Bulten has grown strongly in recent years and has a sharp focus on organic growth in Europe, Russia and China. The conditions for organic growth on the global auto market remain good.

For Finnveden Metal Structures the concentration of magnesium casting in Poland will be completed in Q1. Structural measures have strengthened the division's competitiveness and its position in Europe while improving opportunities for profitable growth, both organically and through acquisitions.

Strong stock performance and changes in ownership

FinnvedenBulten's stock price rose about 68% during the year. In March 2014 the ownership structure changed when Nordic Capital Fund V sold its holding in the company. At the same time, Volito AB among others increased its holding and is now our largest shareholder. We are also pleased to say that today we have approximately 3,200 shareholders, representing an increase of approximately 1,400 owners or approximately 80% compared to 31 December 2012.

Evaluation of a split of the Group initiated

In 2013 we strengthened profitability, successfully restructured our foundry operations and secured major customer contracts.

To achieve even better business focus and clarify the value in each division, the Board and management team have initiated an evaluation of a split of the Group in 2014. The purpose of this assessment is to optimise future opportunities in the divisions and deliver long-term added value to shareholders.

Johan Westman
President and CEO

[1] LMC Automotive, December 2013

"In 2013 we strengthened profitability, successfully restructured our foundry operations and secured major customer contracts."

JOHAN WESTMAN
President and CEO

Vision, business concept and strategies

VISION
FinnvedenBulten shall be the preferred choice of long-term business partner and supplier to international customers in the engineering industry, primarily the automotive industry.

BUSINESS CONCEPT
FinnvedenBulten shall develop and manage industrial businesses that offer products, technical solutions and systems of high quality for international customers in the engineering industry, primarily the automotive industry.

OVERALL STRATEGY
innvedenBulten's strategy is to continue the development of Bulten and Finnveden Metal Structures to realise the full potential in both divisions. Growth opportunities are favourable as both Bulten and Finnveden Metal Structures are well-positioned for continued profitable organic growth. Read more about the divisions' specific strategies in the sections for Bulten and Finnveden Metal Structures.

Financial goals

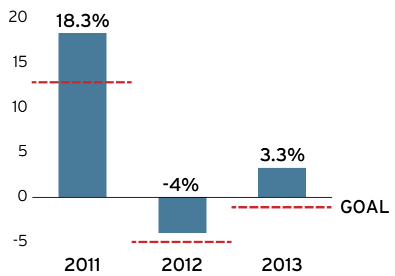
LONG-TERM FINANCIAL GOALS | TARGET PERFORMANCE

ORGANIC GROWTH
The Group's goal is to achieve profitable organic growth and to grow more strongly than the industry average.

Definition on page 73.

Organic growth in 2013 was 3.3% (-3.9). Weighted for FinnvedenBulten's exposure, average growth in the industry* was -0.7% (-5.0).

*) Average growth in the industry is defined as production volume in Europe in accordance with LMC Automotive, December 2013.

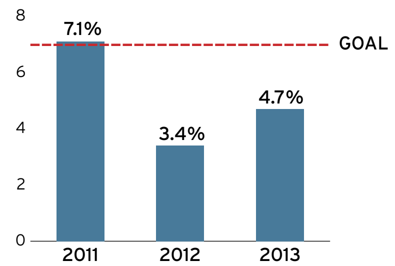


OPERATING MARGIN
The Group's goal is to achieve an operating margin of at least 7 percent.

Definition on page 73.

The adjusted operating margin* amounted to 4.7% (3.5) in 2013.

*) Adjusted for non-recurring items.

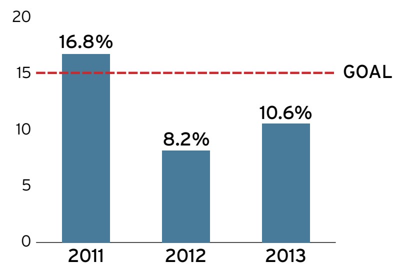


RETURN ON CAPITAL EMPLOYED (ROCE)
The Group's goal is to achieve a return on average capital employed of at least 15 percent.

Definition on page 73.

Return on capital employed amounted to 10.6% (8.2).

*) Adjusted for non-recurring items.

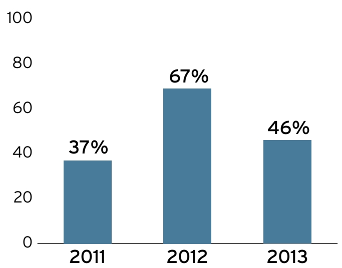


DIVIDEND
FinnvedenBulten's policy over time is to pay out a dividend of one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.

Shareholder information on page 28-29.

The Board has proposed to the Annual General Meeting an unchanged dividend of SEK 2.00 per share for the financial year, representing a dividend of 46%[1] (67[2])of net earnings after tax.

1) Adjusted for restructuring costs and for approved interest deduction.
2) Adjusted for one-off item due to the change in the Swedish corporate tax rate.



Customers, markets, trends and driving forces

Customers
FinnvedenBulten's customers are primarily active in the automotive markets in Europe, Asia and the US. The customers are mainly manufacturers of cars and commercial vehicles as well as Tier 1 suppliers, i.e. companies that supply products to auto and engine makers. The Finnveden Metal Structures division also supplies general industry.

FinnvedenBulten's largest customers are Autoliv, DaimlerChrysler, Faurecia, Ford, Jaguar Land Rover, Magna, Nissan, Scania, Volvo Cars and AB Volvo. Around 95% of sales go to production of cars and commercial vehicles in Europe, of which a significant portion is exported to other markets around the world.

Markets
In 2013, deliveries for light vehicles (cars and light commercial vehicles) accounted for approximately 75% of FinnvedenBulten's revenues, while heavy vehicles accounted *for approximately 25%. Of total net sales, approximately 80% were attributable to car makers (OEMs) and approximately 20% to sub-suppliers to OEMs and other industries.

According to LMC Automotive (LMC), production of light vehicles in Europe declined by 1.1% and production of heavy vehicles increased by 0.6% during 2013 compared with 2012. LMC forecasts that 19.5 million light vehicles will be produced in Europe in 2014 compared to 19.2 million vehicles in 2013 (+1.7%). For heavy vehicles over 15 tons, LMC forecasts that production in Europe will reach around 697,000 units in 2014 compared with around 686,000 in 2013 (+1.6%).

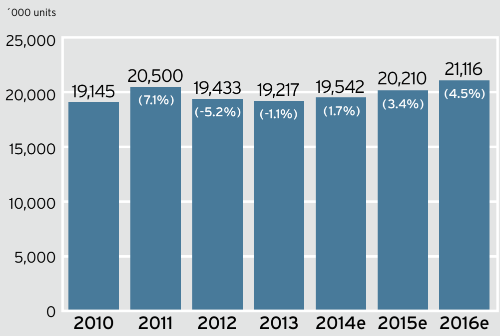
Trends and driving forces
The trend among suppliers to the automotive industry is that auto makers are reducing the number of suppliers. At the same time, vehicle design is developing and engines are becoming more complex. Weight reduction has remained a major focus area and increased demands in combination with new, more efficient drivelines. Overall, the demands on the components are increasing. These trends have meant that customer relations are becoming more and more important and the remaining, specially selected suppliers are taking a more integrated and complete responsibility for their products.

A clear trend in the automotive industry is increased establishment of production on growth markets. According to production statistics from LMC, e.g. China passed both the US and Japan in the number of cars produced in 2013. Between 2013 and 2018, Chinese production is expected to grow by over 9% each year.

Since a significant part of the European vehicle production is exported, the European manufacturers are also favoured by that the growth in for example North America and the BRIC (Brazil, Russia, India and China) countries are expected to be relatively good.

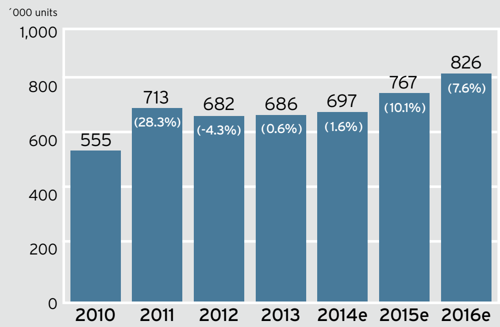
Over the longer term, it is likely that auto makers will require their suppliers to be established locally on the markets being served. On the European auto market the trend is towards continued transfer of production from Western Europe to Eastern Europe, where FinnvedenBulten is represented with production plants in Poland and Russia.

ANNUAL PRODUCTION
LIGHT VEHICLES, EUROPE



Annual percentage change in parentheses
Source: HIS Automotive, December 2013

ANNUAL PRODUCTION
HEAVY VEHICLES, EUROPE



Annual percentage change in parentheses
Source: HIS Automotive, December 2013

A selection of FinnvedenBulten's products

Between 1,500 and 2,000 fasteners and many other components in steel and magnesium are used to hold together, strengthen and build a modern vehicle. They must all function together under extreme conditions, which places high demands on know-how in applications and metals as well as requiring efficient production processes. Below we present a selection of the products we make.

1 INTERIOR STRUCTURE

Instrument panel structures are examples of structures made in various materials, such as magnesium, steel or a combination of those, depending on customer requirements in terms of weight and durability. The product in the picture is die-cast in magnesium.

2 TAPTITE

Taptite is trilobular (triangular shaped) fastener that forms its own thread when driven into a material during assembly. This eliminates stages in the assembly process such as pre-threading and degreasing. This technology leads to significant productivity increases. Taptite is used frequently in engine applications.

3 ROOF STRUCTURE

Roof structures made of die-cast magnesium help auto makers to reduce weight and are often found in exclusive car models that require light, die-cast components. The structure in the picture contributes to a light, safe and quiet roof for a convertible.

4 MATHREAD

MAThread has a unique tread design that prevents virtually all fasteners from cross-threading during installation. This technique cuts assembly time and improves ergonomics for operators. MAThread is often used in bodywork applications.

5 ENGINE COMPONENT

Several of our products comprise both stamped and die-cast components that are joined to make a more complex product. The product in the picture is a catalyst console that is made of sheet metal, aluminium, fasteners and other components supplied by sub-suppliers.

6 "ONE TOUCH ASSEMBLY"

Our one touch assembly solutions minimize the assembly of components and improve ergonomics for operators by providing pre-assembled modules. One-touch assembly is used to secure car seat belts, for example.

7 ENGINE COMPONENT

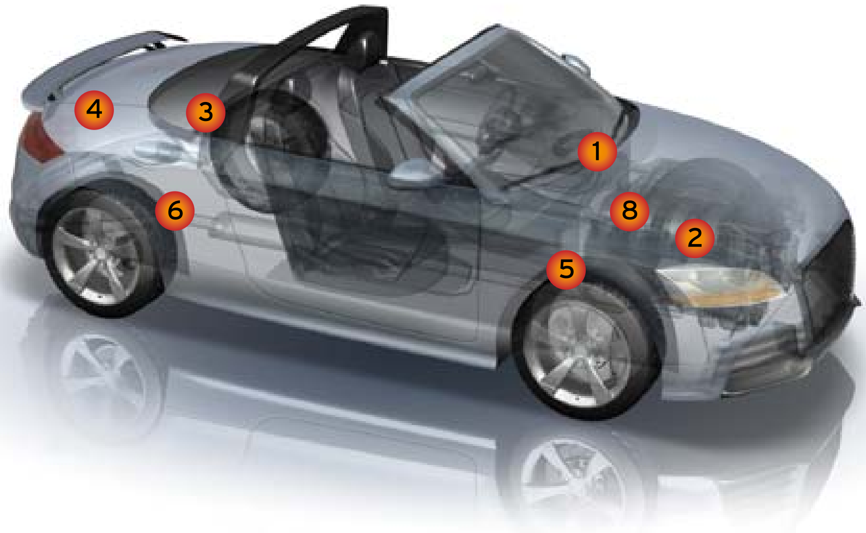
This engine component is made of deep-drawn, stamped sheet metal with extremely high demands on tolerances that few manufacturers in northern Europe can match. Deep-drawn components are used for various applications, such as the oil pan in the picture, lawn mower cutting decks and adjustable chair mechanisms.

8 B14

B14 is a super-clean high-resilience steel that is 40% stronger than previous solutions. Dimensions can be reduced to cut the weight of the fastener by 30-40%. B14 can be combined with other technologies and is put to best use in engine applications.

9 CHASSIS COMPONENT

Our stamped sheet metal items have a wide range in terms of size and complexity, covering everything from small components, to large, complicated items. The example shown is a console for a heavy vehicle.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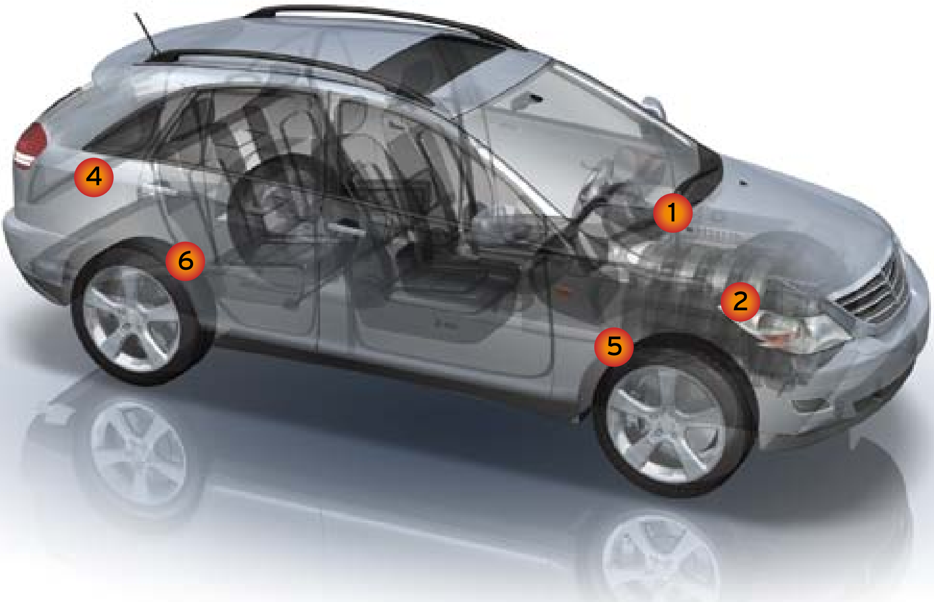
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Division Bulten

Bulten develops and manufactures fasteners for the global automotive industry. Bulten is one of few businesses in Europe that takes complete responsibility throughout the value chain for fasteners, from development of the product to final delivery into the customer's production line. This means that Bulten by its Full Service Provider concept (FSP) takes responsibility for quality, logistics, purchasing, etc. to an entire platform or plant. Fasteners are an important component in the production of cars and commercial vehicles, with demand mainly based on production within the automotive industry.

In addition to fasteners, Bulten offers a wide range of services that cover the entire product chain, from concept development to delivery onto the customer's production line. The Full Service Provider concept includes development, engineering design, production, testing, documentation, logistics and product optimization. Products outside Bulten's range are purchased from a global network of suppliers and are then converted and integrated with the company's own assortment.

Bulten's way of working complements the customer with the services they need. In many cases, Bulten takes full responsibility for fasteners to an entire platform, car model or factory.

Products and technologies

Bulten's product range covers everything from standardized to technically advanced fasteners for the automotive industry. The products are customer specific and in some cases developed jointly with the customer.

Bulten's products are based on several technologies that the company has access to through licences or patents. Several of these technologies can be combined. In addition, they can be manufactured in different materials and then integrated with components purchased from third parties. This makes the product range very broad – a total of around 2,000 items of which around 700 are manufactured in series.

Bulten's technologies contribute to reducing the overall cost for customers. This is achieved by reducing the number of items and the number of fasteners, simplifying assembly and reducing indirect costs, for example development costs.

Market position

Bulten is one of the leading manufacturers and suppliers of fasteners to the international automotive industry, with a specially strong position in northern Europe. In terms of sales, Bulten is considered to be among the three largest FSP-suppliers of fasteners to the European automotive industry.

Bulten is one of few businesses on the European market that offers a full service concept to auto makers. Bulten has good relations with the leading auto makers and Tier 1 suppliers, and has its largest customers in this segment. Following the downturn in the automotive industry, several competing fastener manufacturers suffered financial difficulties. Bulten managed this situation better than many of its competitors much thanks to its FSP offer and a large proportion of production in low cost countries and is thus well-positioned to gain market shares from new customers.

Logistics

Bulten aims to create an optimised sales process, in which short lead times, efficient component flows to customers and low levels of stocks play a crucial role.

The logistics flow of Bulten's product range is complex. The fasteners produced in the production units are seldom sent directly to the customer but usually pass through one or more of Bulten's logistics centres. There is also a comprehensive flow of semi-manufactures and components between the various production units, logistics centres and sub-suppliers

In many cases, further product refinement is performed at the logistics centres through the integration of Bulten's fasteners with components from external suppliers. The fasteners which Bulten does not produce include, for example, nuts, washers, clamps and plastic components, are purchased from third parties. The end product is distributed to the customer from one of these logistics centres, normally located near the customers' facilities.

Raw materials

Pre-rolled and phosphated iron wire is Bulten's main input material, which is the base material for the majority of fasteners which Bulten produces. Bulten sets its quality requirements based on application requirements and the standards commonly used in the automotive industry. As a result, Bulten's raw material requirements are considerably higher than for manufacturers of screws and bolts for general industry. Iron wire is purchased from several suppliers, such as Voestalpine, Ori Martin, FNsteel and GSW.

Competitors

There are some hundred suppliers of fasteners in Europe, but many of them are small or supply other industries besides the automotive industry. Moreover, many of the European fastener manufacturers mainly supply bulk and standard products, which are not Bulten's main area of focus.

The squeeze on prices from small distributors importing fasteners from non-European low-cost countries has moderated recently due to import duties to the EU.

Bulten's two principal competitors are the European suppliers offering the full service concept, Nedschroef and Kamax/Facil.

NET SALES

SEK **1,811** MILLION

Net sales reached SEK 1,811.4 million (1,710.5) MSEK, up 5.9% compared with last year.

OPERATING EARNINGS (EBIT)

SEK **112** MILLION

Operating earnings (EBIT) were SEK 112.4 million (81.5).

OPERATING MARGIN

6.2%

Operating margin was 6.2% (4.8).

PROPORTION OF GROUP SALES

FINANCIAL SUMMARY (SEK M)

	2013	2012	▲
Net sales	**1,811.4**	1,710.5	5.9%
Earnings before depreciation (EBITDA)	**155.3**	123.1	32.2
Operating earnings (EBIT)	**112.4**	81.5	30.9
Operating margin, %	**6.2**	4.8	1.4
Order bookings	**1,994.2**	1,670.2	19.4%

DIVISION BULTEN

Strengths and strategy

- Organic growth
- Preferred full service provider
- Competitive cost structure and geographic proximity
- Innovative and technologically advanced products

Organic growth

During 2013, Bulten has grown stronger than the market in average. The division's organic growth was 5.9%, compared to the average growth in the automotive industry in Europe that is estimated at around -0.7% by LMC Automotive.

Bulten has a clear focus on organic growth in Europe, Russia and China. During 2013 the division won several new significant contracts, mainly within the frame of the FSP-concept. A strategically important contract was also signed with an auto maker in China and in Russia there is great interest from potential new customers. The prospects for Bulten to grow organic on the global auto market are continued good.

Besides the organic growth strategy, Bulten also sees opportunities for growth through acquisitions or joint ventures.

Preferred full service provider

Bulten is one of few European fastener producers which has acquired comprehensive know-how through its full service concept and many years of experience of supplying turnkey solutions for OEMs.

Bulten's growth strategy will be fulfilled by continue offering turnkey solutions for OEMs.

Bulten shall be a preferred full service provider and provide everything from development, production, logistics to final delivery at the customer's assembly line. This has been a successful concept and the strategy is to continue developing the business along these lines. Already today Bulten's contract portfolio consists of approximately two thirds full service contracts and the share is expected to increase.

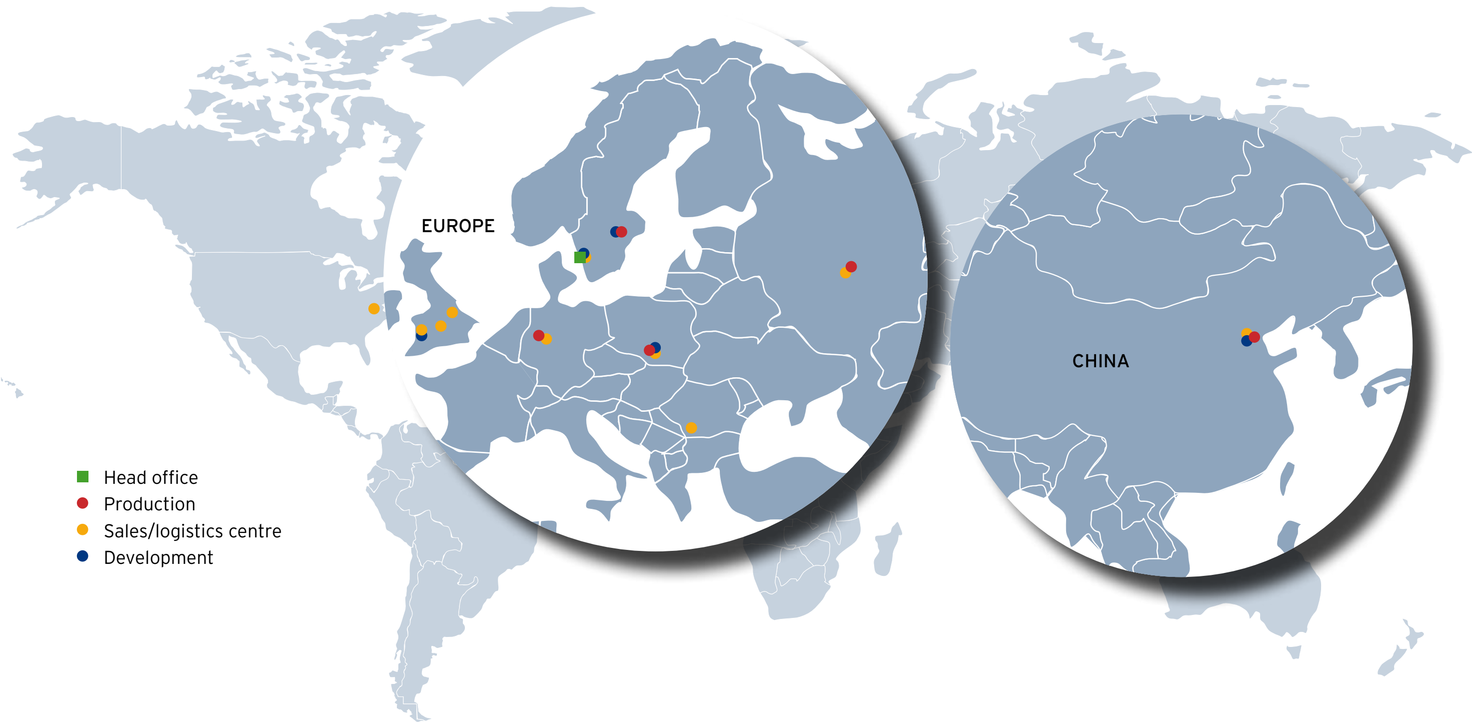
Competitive cost structure and geographic proximity

Bulten's strategy is based on offering competitive products and services. This must be done by having advanced production processes at low costs with geographical proximity to the customer. Bulten is constantly working to retain its expertise and must offer its customers the best possible quality at the best possible price.

Innovative and technologically advanced products

The innovative and technologically advanced products which Bulten produces based on licenses and OEM technology are all intended to reduce the total cost of fasteners including among others costs related to production and assembly.

Part of Bulten's strategy is to constantly develop the innovative and technological know-how needed to create new products together with licensers and customers, thus offering improved and more cost-effective solutions to OEMs.



DIVISION BULTEN

Q&A about Bulten

IS BULTEN WELL-POSITIONED AND COMPETITIVE?

Bulten has a stable business. We have production in Europe, Russia and China, which means we are well-positioned for the future. We will continue to be more efficient and continually adapt our business to the market situation, as we have done with our new logistics hub in the US, for example, and the reinforcement of logistics capacity in the UK.

BULTEN SECURED SOME LARGE DEALS AT THE END OF 2013. HOW ARE THEY PROGRESSING?

The new business signed in 2013 means organic growth of around SEK 500 million per year at full pace. Deliveries will take place across several years starting in early 2014 and full volumes are expected in 2015. Start-up costs in the first six months of 2014 are expected to be relatively limited, but the rise in volumes will require further investment in machinery and equipment. The project has started as planned and it will take time to adapt operations fully and for the full effect of new volumes to impact on profits.

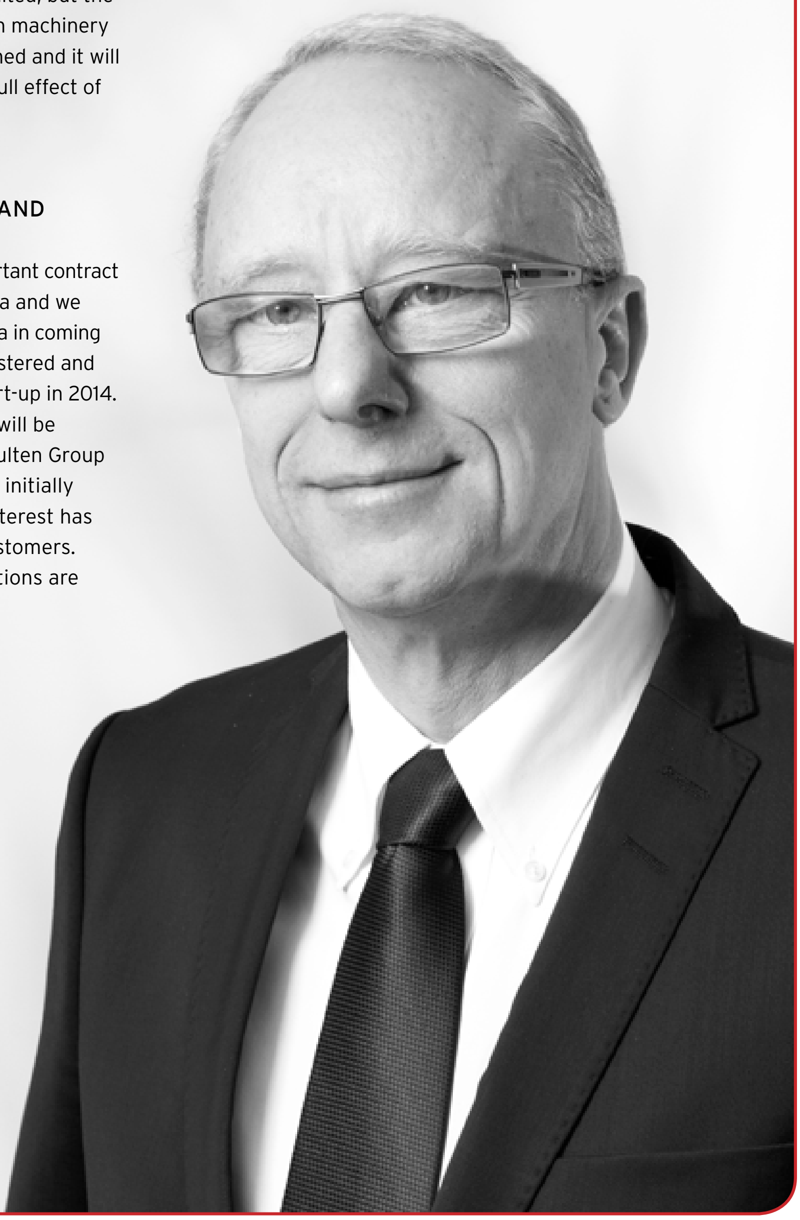
HOW IS THE DEVELOPMENT IN RUSSIA AND CHINA PROGRESSING?

At the end of 2013 we signed a strategically important contract for delivering fasteners to an automaker in China and we see good prospects for continued growth in China in coming years. In Russia the new company has been registered and preparations are being made for production start-up in 2014. The Russian company, owned jointly with GAZ, will be consolidated as a subsidiary of the FinnvedenBulten Group and at full effect the annual volume increase is initially expected to be around SEK 90 million. Great interest has been shown by existing and potentially new customers. Volumes should increase gradually after operations are started.

HOW WILL BULTEN GROW IN 2014, AND HOW DO YOU VIEW THE DIVISION'S FUTURE PROSPECTS?

Bulten has good prospects for continued organic growth on the global auto market partly through new customers and partly by following our key customers into growth markets. Bulten is one of few producers of fasteners in Europe that can offer a complete solution to customers via our Full Service Provider concept. We have been highly successful with this concept through our combination of trading and proprietary products. We will continue to develop this and in the future we will increase the share of full-service contracts in our portfolio.

TOMMY ANDERSSON
CEO, BULTEN



New Screw test stand expands Bulten's offer

Bulten has had great success with new contracts in the past year, much of it due to its FSP offer. The division's strength is taking responsibility for the entire chain, from development and ideas to production and delivery. The offer to customers has now been further extended with the introduction of a new screw test stand.

"This is a key component for us as an FSP supplier as we can now cover a wider range of bolt testing," explains Kurt Andersson, bolt joint specialist at Bulten.

The demand for high-tech competence is growing and technical development is moving fast. Cars are being optimised further and further so demands on fasteners rises accordingly. To meet these demands Bulten has invested in a new screw test stand that increases opportunities for simulating actual production conditions and doing more advanced analysis.

"There are tough requirements set for us, both by customers and ourselves. This investment not only strengthens our market position, it also provides more advanced assistance to the customer in product development, especially engine development and critical chassis connections. It's an important part of our full-service commitment" says Kurt Andersson.

Bulten now has six screw test stands in Germany, China, Poland and Sweden. However, the machine in Hallstahammar is unique.

"The flexibility of the new screw test stand complements the other machines and it is a powerful tool for everything from simpler quality assurance tests to advanced development analyses," adds Sebastian Kivimaier, applications engineer at Bulten.

Bulten has always had a sharp focus on pushing the limits and thinking of new solutions instead of just seeing standard answers. This will be even more obvious now with this new machine.

"We can simulate a real connection in abnormal conditions. That gives us more information and so we can perform a more complete analysis of bolt assembly," explains Sebastian.

Bulten's technical development department in Hallstahammar is a vital resource, acting as a reference lab for the entire division. Bulten's development activities take place in close collaboration with our customers. Very often Bulten's own engineers are on the customer's site sharing their experience and knowledge.

"This way of working is part of the full-service offer. It helps the customer achieve the most effective engineering and ultimately cut costs," concludes Kurt.

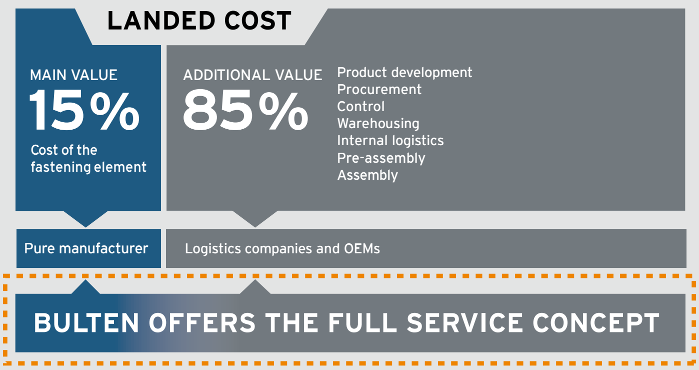
BRAND

BULTEN

BUSINESS CONCEPT

Division Bulten shall be a leading business partner and supplier of fasteners to the international automotive industry and shall continuously develop its full service concept. Bulten shall actively launch innovations and services in the product area of fasteners in order to secure its position on the European market and increase its presence on growth markets.

FULL SERVICE PROVIDER CONCEPT



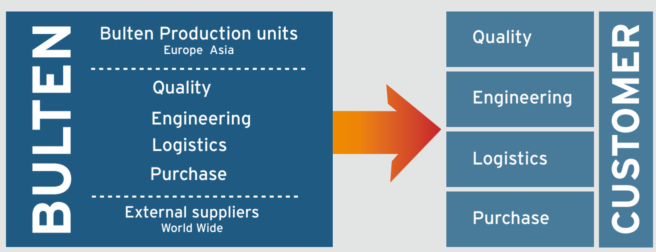
"This way of working is part of the full-service offer. It helps the customer achieve the most effective engineering and ultimately cut costs."

KURT ANDERSSON,
BOLT ASSEMBLY SPECIALIST

SEBASTIAN KIVIMAIER,
APPLICATIONS ENGINEER

TRADITIONAL LOGISTICS SOLUTION

BULTEN'S LOGISTICS SOLUTION



Division Finnveden Metal Structures

Finnveden Metal Structures manufactures products in steel and magnesium, previously also in aluminium, or a combination of those materials. Manufactured components include interior, chassis and body parts for the automotive industry as well as customized components for general industry.

Finnveden Metal Structures' main manufacturing processes are stamping, die casting and joining.

Within the sheet metal component segment, Finnveden Metal Structures offer everything from small components to large and more complex products. To form the stamped products according to customer specifications and requirements, the division also performs secondary operations such as laser cutting, punching, bending and welding.

In the die casting segment a wide selection of products are produced in magnesium. There is a growing trend in the automotive industry of using lighter materials such as magnesium as it is around 70% lighter than steel. Application areas and the level of penetration are largely dependent on the product's specification requirements as for example weight reduction and the cost of materials.

One of Finnveden Metal Structures' strengths is to be able to offer various metal forming techniques and combine different materials. A significant share of the division's products feature two or more components joined together to make a more complex product comprising stamped and/or die cast components. Joining is performed via various automated processes such as eg. welding.

The common denominator for the components manufactured by the division is that they are customer-specific and often developed in co-operation with the customer in order to improve the design and optimize the production process.

Market position

In the area of sheet metal components, Finnveden Metal Structures is a medium-large player in the European market. In the domestic market, Sweden, it is strongly positioned with supplies to Swedish OEMs such as AB Volvo, Scania and Volvo Car Corporation.

Demand for larger magnesium components, such as interior structures, is growing. Among die cast magnesium products in Europe, Finnveden Metal Structures has a good market position and the division supplies products both as Tier 1 and Tier 2 supplier for many exclusive car models which require light die cast components.

Logistics

The finished components that leave the production units usually go straight to the customer. As part of its commitment to customers, Finnveden Metal Structures offers assembly and joining of more complex structures, a refinement that can be made in the division sites and/or in assembly units adjacent to the customer's production units. These assembly units can also act as intermediate stores.

Raw materials

For sheet metal components, steel sheet is the main raw material but also aluminum sheets occurs. Steel sheeting is mainly purchased from steel service centres, which cut the sheet metal rolls to the required dimensions. The largest suppliers of steel sheeting are Ruukki, Tibnor, Arcelor Metal and Voestalpine that delivers from local steel service centres. The metal waste arising in Finnveden Metal Structures' production, is recirculated through agreements with, among others Stena Recycling.

Finnveden Metal Structures uses magnesium as input materials for die cast products. Magnesium is purchased in the form of pre-alloyed ingots that mainly come from manufacturers in China via our company in Shanghai.

Competitors

Finnveden Metal Structures competes with many different companies in its various product segments. The market for sheet metal components and joined products is fragmented with many small and medium-sized players and a few major players. There are several companies which do not solely supply the automotive industry but also other industries among competing foundries.

Finnveden Metal Structures' competitors in the area of stamped and joined products on the European market include Gedia, Gnotech, Kirchoff, Mühlhoff and Progress-Werk Oberkirch (PWO).

Competitors to Finnveden Metal Structures within die cast products on the European market include Brabant Alucast, Georg Fischer and Meridian LightweightTechnologies.

NET SALES

SEK **1,257** MILLION

Net sales reached SEK 1,256.5 million (1,261.4), down -0,4% compared with the same period last year.

OPERATING EARNINGS (EBIT)

SEK **-3.1** MILLION

Operating earnings (EBIT) were SEK -3.1 million (30.1).

OPERATING MARGIN

-0.2 %

Operating margin was -0.2% (2.4).

PROPORTION OF GROUP SALES

FINANCIAL SUMMARY (SEK M)

	2013	2012	▲
Net sales	**1,256.5**	1,261.4	-0.4%
Earnings before depreciation (EBITDA)	**42.8**	64.8	-22.0
Adjusted Earnings before depreciation (EBITDA)	**66.6**	64.8	1.8
Operating earnings (EBIT)	**-3.1**	30.1	-33.2
Operating margin, %	**-0.2**	2.4	-2.6
Adjusted Operating earnings (EBIT)	**35.7**	30.1	5.6
Adjusted Operating margin, %	**2.8**	2.4	0.4
Order bookings	**1,278.8**	1,170.1	9.3%

FINNVEDEN METAL STRUCTURES DIVISION

Strengths and strategy

- Efficient production structure and competitive offer
- Well-positioned casting operation for magnesium in Poland
- Strong application know-how and offer for interior structures
- Extensive material and production knowledge

Efficient production structure and competitive offer

Finnveden Metal Structures has completed extensive improvements in the efficiency of its production structure. Structural measures have strengthened Finnveden Metal Structures' competiveness and its position in Europe as well as improved opportunities for organic and acquisition-based growth.

The goal for the division is to have profitable growth, both organic and through acquisitions. This will be achieved from existing and new contracts on the markets where Finnveden Metal Structures is currently active, and also through expansion on growth markets.

In the short term, opportunities for organic growth are expected to come from existing customers in Europe. In the long term, Finnveden Metal Structures sees potential in growth markets such as China. Acquisitions are also part of future strategy for broadening the division's geographic presence and competence, expanding the product offer and extending the customer base.

Well-positioned casting operation for magnesium in Poland

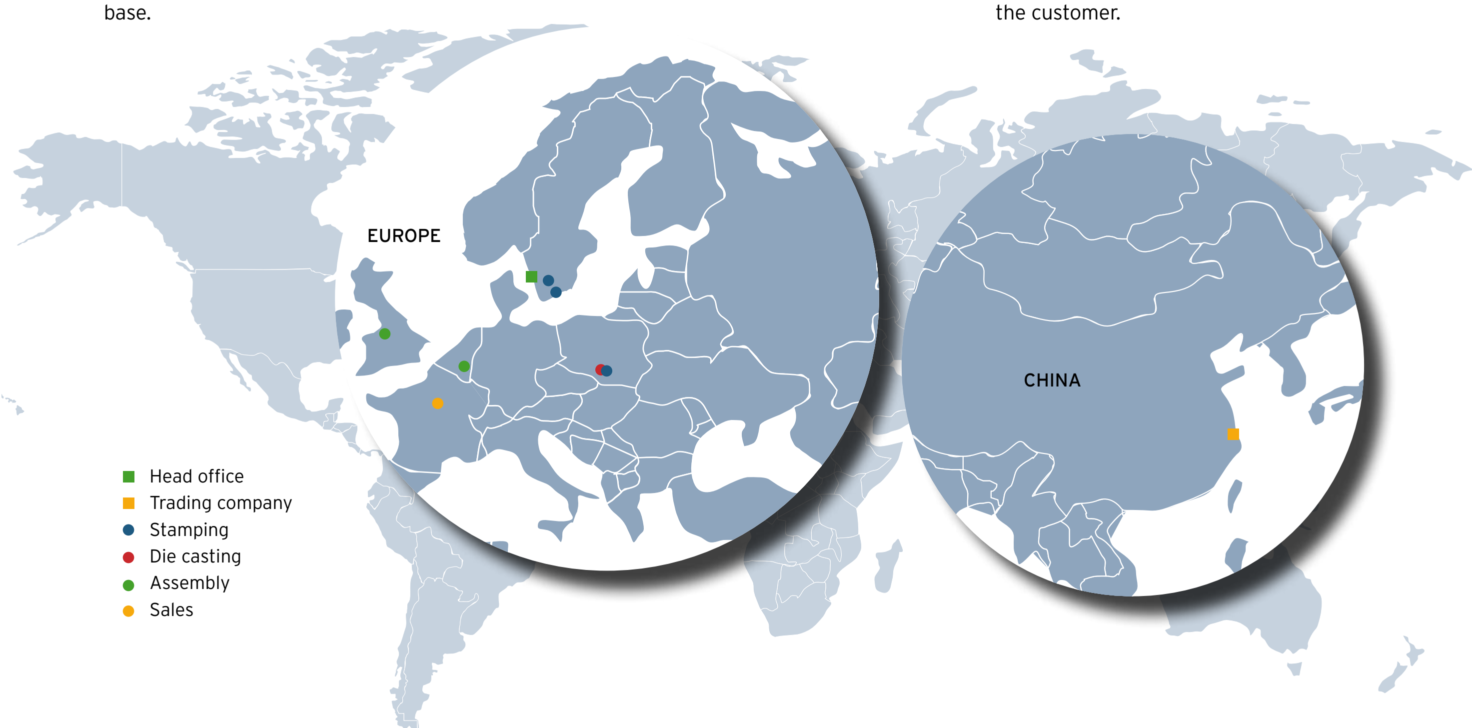
Finnveden Metal Structures has restructured its foundry business and all magnesium casting is now concentrated at the division's foundry in Poland. The aluminium casting business has been divested. By refining the casting business the division has achieved better use of resources and cut costs. Meanwhile the complexity of operations has been reduced and competitiveness strengthened in magnesium casting in Europe. Finnveden Metal Structures now has a well-positioned magnesium foundry in Poland and is well-equipped to meet the demand for weight reduction in the auto industry.

Strong application know-how and offer for interior structures

A key part of Finnveden Metal Structures' business now is assembly of larger products and structures such as instrument panel beams, roof and seat structures. These are made of sheet metal, magnesium or a combination of the two. The division sees great potential in further strengthening its position in this product area and even expanding its offer to cover new contracts from other automakers. The main strategy is to offer customers a more flexible comprehensive solution for stamped and die-cast products, and win more contracts that feature more complex products.

Extensive material and production knowledge

Finnveden Metal Structures is one of few producers that can offer flexibility in materials such as die-cast magnesium components and stamped sheet metal items. Production know-how mostly covers stamping, die-casting and joining, often through welding. In the auto industry, weight optimisation has grown more important and interest in light metal such as magnesium is growing. Finnveden Metal Structures' competence within metal materials and weight optimisation combined with the division's competitive production structure means that Finnveden Metal Structures can make a strong business offer to the customer.



FINNVEDEN METAL STRUCTURES DIVISION

Q&A about Finnveden Metal Structures

HOW IS THE RESTRUCTURING PROGRAMME WORKING?

The rationalisation measures that we have implemented have started to generate better profitability for the division. The restructuring of the foundry business should be completed in Q1 2014 and all magnesium casting will then be performed at the division's principal foundry in Poland. As part of the restructuring we sold our Swedish aluminium business to International Aluminium Casting Sweden in 2014 and we are pleased that this business will continue with new owners for whom aluminium is a core activity.

WHAT IS HAPPENING WITHIN THE STAMPING BUSINESS?

We will launch a programme that will focus on raising the automation level and reducing production complexity. We have a strong position mainly in northern Europe, but we see good possibilities to strengthen in other parts of Europe. Our plant in Poland is very well-positioned. It has been nominated as one of the most dynamic companies in Poland for two years in a row by *Puls Biznesu*, a Polish business magazine.

HOW ABOUT THE COLLABORATION IN CHINA?

Since Q2 2013 our focus in the foundry activity has been on restructuring, which has required most of our attention, so the activity in China has had lower priority for a while.

WHAT DO YOU SEE HAPPENING IN 2014 AND WHAT IS YOUR AMBITION FOR THE DIVISION?

The effects of the total restructuring programme should mean an annual improvement in earnings of around SEK 30 million compared with the outcome in 2012. Full effect is expected from the second half of 2014 after the move of casting operations to Poland is concluded. The structural changes have improved the competitiveness of the division in Europe and improved opportunities for both organic growth and growth through acquisitions.

JOHAN WESTMAN
CEO, FINNVEDEN METAL STRUCTURES

A lot to be gained with Finnveden Metal Structures' simulation tools

With simulation tools, Finnveden Metal Structures' casting engineers can recreate reality with the help of a computer model and thus study and improve what the model shows without having to make major investments in materials, tools and manufacturing equipment. There are great benefits and much to gain.

"Simulation tools allow us to perform advanced analysis and study the outcome of a specific process or article in a computing environment and thus reduce lead times, minimize tool changes and achieve a better quality," says Madeleine Kling, casting engineer who is responsible for simulations at Finnveden Metal Structures.

Finnveden Metal Structures offers customers skilled help in the development stage of a new product. Close cooperation with the customer in the design phase is essential.

"The sooner we get into the process, the more we can contribute. We have a lot of material and process knowledge to offer during the development and industrialization of a product. By using our simulation tool, we can detect at an early stage indications of where there may be a risk of defects in an item. This way we can optimize the item and eliminate problem areas before start of production," says Madeleine.

Simulation programs are great, but the skills of the person behind the machine are essential to achieve the benefits that the tool can provide.

"When you work with simulations you must have sufficient understanding of the manufacturing process. It is not enough just to be skilled in using simulation software," explains Madeleine. "The user must be able to assimilate the results of a simulation and understand what happens in the process if the conditions change.

Weight reduction is an important parameter in the automotive industry. The hunt for weight optimization has meant that interest in magnesium, which is about 70 percent lighter than steel, has increased. Through simulation we can analyze how the weight of a magnesium product can be further reduced.

"Flow paths are important in keeping the weight down. Through simulation, we get indications of where uneven flow paths may occur in the item and thus propose an increase in the thickness precisely where it is needed, instead of increasing the thickness of the entire item. Very often, simulation shows that some items are thicker than necessary and we can then in interaction with the customer reduce these geometries and thus reduce the weight of the article," explains Madeleine.

Simulation is extremely time-efficient. After only a few hours, one can obtain indications of an outcome that would otherwise take up to twelve weeks using traditional prototyping tools. Finnveden Metal Structures has further streamlined the process by making it possible to remotely control the simulation tool.

– Because we can remotely control the simulation tool, we can quickly get the simulation up and running in the office in Gothenburg from wherever in the world we find ourselves. It allows us to be very efficient and we can pick out the sequences that are critical without losing valuable time," concludes Madeleine.

BRAND

FINNVEDEN

BUSINES CONCEPT

Division Finnveden Metal Structures shall be the preferred choice of business partner for metal forming in selected customer segments. Customer benefit shall be created by actively taking part in product development and offering stable industrialization and cost-effective production solutions, with flexibility in the choice of materials.

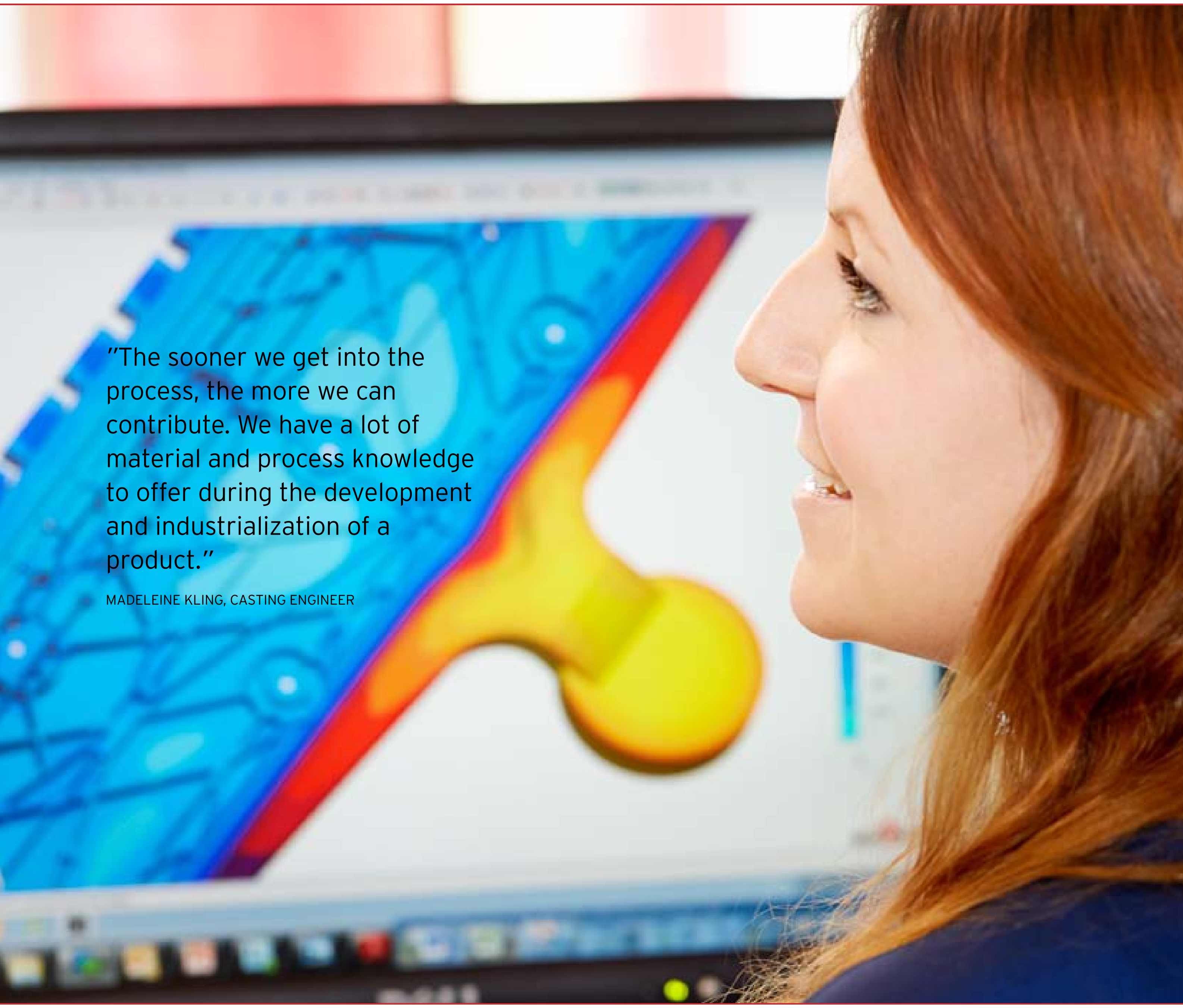
INCREASED OFFER

INCREASINGLY COMPLEX PRODUCTS

Components (Steel, Al & Mg) → Joined structures / Larger and more complex products / Components

NEW STRATEGICS LOCATIONS

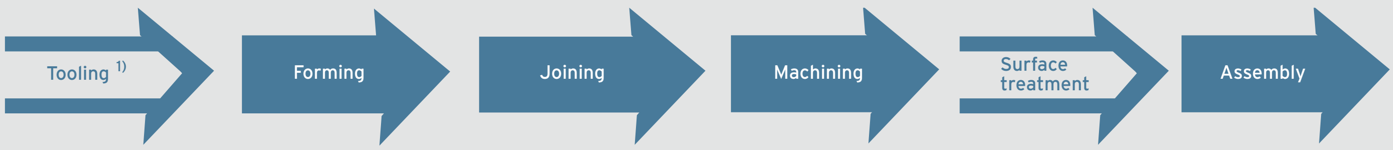
Sweden → Sweden, Poland → Sweden, Poland, China



"The sooner we get into the process, the more we can contribute. We have a lot of material and process knowledge to offer during the development and industrialization of a product."

MADELEINE KLING, CASTING ENGINEER

MAIN PROCESSES



Tooling 1) – In-house competence available, but majority is sourced.

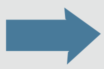
Forming – Cold stamping and cold chamber high pressure die casting.

Joining – Mainly melt and spotwelding. Often include joining with purchased components e.g. nuts.

Machining – CNC-machining mainly performed on die-casted parts, advanced drilling etc.

Surface treatment – Washing and tumbling inhouse. Painting, coating, sealing, etc. is outsourced.

Assembly – Assembly of a varying degree of components, both from own manufacturing and purchased components. Larger products often assembled in separate facilities close to customers (JITcenters).



Finnveden Metal Structures main focus, in-house operations

Note: 1) Design and manufacturing of prototype and production tools

Long-term sustainable business

FinnvedenBulten's business will be conducted responsibly by taking full economic, environmental and social responsibility. Good ethics, high business standards and trust are important concepts that permeate the Group's corporate culture and the way to interact with employees, shareholders, customers, suppliers and all other parties. For FinnvedenBulten this is the platform for long-term and sustainable business.

SUSTAINABILITY WORK

FinnvedenBulten's overall objective regarding sustainability is that it should be a natural part of all activities through an economic, environmental and social responsibility throughout the Group. On its own initiative, FinnvedenBulten has chosen to support the Ten Principles on respect for human rights, working conditions, environmental responsibility and anti-corruption embodied in the United Nations Global Compact.

Governing documents

Governing guidelines and policies are the basis for the sustainability work. The code of conduct is the foundation for all decisions made within the company. The code covers all employees and regulates which business principles employees shall observe in contacts with business partners and other parties. It also regulates communication and financial reporting, which environmental principles we follow and how the Group strives for fair working conditions and respect for human rights.

In addition to this code there are several policies and guidelines that govern in a more detailed way the Group's efforts towards achieving long-term, sustainable business. In 2013 among others a policy and guidelines for anti-corruption was implemented in the Group.

ENVIRONMENT

FinnvedenBulten's environmental activities aim to ensure that production is carried out with as little environmental impact that is practically possible while remaining economically viable. Environmental activities should be preventive and involve all employees as well as continually improving products, processes and plants in order to minimize the impact on the environment.

This work is led by the heads of environmental issues at the divisions, who are responsible for development and improvement. Units within the Group have integrated environmental management, quality control and, in some cases, health and safety issues included in the divisions' management systems. In some units, the implementation of energy management system is ongoing according to the specification in ISO 50001.

During production, the major environmental impact is through energy consumption, although the use of chemicals and emissions to air and water also affect the environment.

All significant environmental aspects are measured at each site and reported to the authorities as well as internally for records and follow-up. The fact that FinnvedenBulten has well-functioning environment management systems and engaged employees is verified by external environmental auditors through regular visits and by the Group's customers. All of the Group's units have ISO 14001 environmental certification.

Reduced environmental impact in 2013

FinnvedenBulten and its customers are active in an industry that is continually under the spotlight with regard to environmental impact. During the year the Group's units paid special attention to energy and waste. Improvements were achieved through investment in energy-efficient production equipment, increased recycling and improved treatment equipment. Competence in energy issues was also further developed to help the company make the right choices in the future.

Pro-active environmental work is carried out at all units. Within the Bulten division the focus, among other areas, has been on using better purification equipment to improve the treatment of process wastewater. For example, a new surface treatment facility has been installed at our China factory that meets very strict environmental requirements. Other focus areas include reducing energy consumption and monitoring external suppliers' processes and the potential environmental impact. In addition, work is underway to follow up on transportation and its environmental impact.

Within the Finnveden Metal Structures division, we can see that the investments made to reduce energy consumption have produced results. The share of green electricity has increased and the plant in Olofström has obtained a new permit.

Reduced weight contributes to lower CO_2 emissions

As a manufacturer of automotive components FinnvedenBulten can also contribute to reduced environmental impact by providing solutions that reduce the weight of vehicles and thus cut fuel consumption, which in turn means lower CO_2 emissions.

In the automotive industry there is a trend towards increased use of magnesium since it is around 70% lighter than steel. In 2005 FinnvedenBulten opened a high-tech foundry in Bielsko-Biala, Poland. Today this foundry is one of the leading magnesium foundries in Europe.

FinnvedenBulten also works proactively to help customers reduce the numbers of fasteners in their vehicles in order to reduce weight.

Moreover, the Group has made good progress in implementing B14, a high-tech, high durability material. The material enables reduced dimensions of the fasteners. A smaller dimension also enables a reduction in the components surrounding the fastener, lead-

ing to more weight reduction. The material is already being used in a number of applications and at the Bulten development and technology centres further development projects are being carried out together with customers.

QUALITY

An effective quality programme is a necessary precondition for a long-term and sustainable business. FinnvedenBulten works systematically to improve quality at every stage of the value chain and to a large extent this work focuses on ensuring that faults and non-compliance do not occur and the benefits have been followed for a longer time. Giving quality highest priority means that the expectations of the Group and of its customers and owners are more likely to be met.

FinnvedenBulten's reputation for quality, quality results and certificates have played an important role in winning new orders and projects which shows that customer expectations and requirements are met in terms of quality.

All FinnvedenBulten's sites have ISO 9001/ISO-TS 16949 certification and also meet specific customer quality requirements. Furthermore, for FinnvedenBulten to external suppliers of direct materials must not only meet the basic requirements, quality and environmental management systems, but also our customers' specific additional requirements.

Effective quality programme and well-established systems

High levels of production efficiency require regular follow-up and evaluation. To ensure this, FinnvedenBulten has well-established production and project systems. These systems feature principles, work methods and tools where the focus is on creating value and optimizing use of resources. The work is carried out in cross-functional teams and prevention and continuous improvements are always a key area.

Quality objectives

Ambitious targets have helped the organization achieve large improvements. Internally, FinnvedenBulten continually measures and follows up key indicators for production, markets and purchasing. The Group also regularly assesses external suppliers.

PURCHASING

Purchasing of direct and indirect materials for FinnvedenBulten is performed at central purchasing departments in the Bulten and Finnveden Metal Structures divisions. A significant part of the purchased volume is raw material, with steel representing the largest material, divided between steel plate and long material. Magnesium is also bought in significant volumes by the Finnveden Metal Structures division. Bulten provides components that the division does not make itself but which are included in the total commitment supplied to customers.

Procurement of raw materials is made with a selected supplier base but current spot prices also form the basis for purchasing. At present, agreements are short term and are renegotiated every quarter, but at some exeptional cases longer contracts are also used in specific types of customer contracts.

The Group aims to achieve transparency, good communication and long-term collaboration with all its suppliers. This is part of the Group's guidelines for responsible business management, for the significance of high quality for products and services and for a sustainable society through minimal environmental impacts.

The Group's purchasing decisions are always based on objective factors such as the quality of products and services, cost-efficiency and delivery precision. In addition, suppliers must meet the demands based on the principles in the Group's code of conduct in terms of working environment, respect for human rights and the environment.

Suppliers must also meet quality and environmental demands as described in the ISO 9001/ISO-TS 16949 and ISO 14001 international standards. On top of these requirements, suppliers must have processes and procedures that ensure disruption-free deliveries.

EMPLOYEES

To ensure long-term sustainable development of the Group, FinnvedenBulten works continually with employee development, the working environment and work conditions. Great emphasis is placed on having open and honest communication. Every employee of FinnvedenBulten is expected to take an active role in creating a safe, secure, quality-aware and efficient workplace characterised by an open and friendly working climate.

Competence development

FinnvedenBulten works continually to develop its organization and its managers to support the Group's development and growth. The aim is to utilize internal competence and give the employees possibilities to develop and take greater responsibility within the company. To develop within the company is encouraged and internal recruitments are a natural part of the corporate culture.

Good working conditions and human rights

FinnvedenBulten aims to be an attractive employer with a good working environment where commitment, responsibility and participation create the conditions for developing the Group and all employees.

Offering a workplace without risking employee safety and health has high priority in all of FinnvedenBulten's activities. The Group continually strives to identify and address potential safety risks while implementing preventive measures that guarantee good health and safety for all employees.

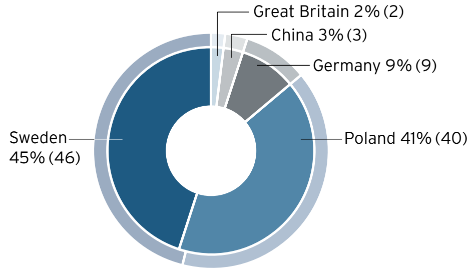
All members of staff shall have equal rights, obligations and opportunities in terms of employment and working conditions, training, education and development in accordance with the laws and regulations of the country in which they work.

Equality and diversity

FinnvedenBulten works to achieve equality and aims to achieve diversity in recruitment. During 2013, FinnvedenBulten had activities in five countries with 1,837 fulltime employees at the turn of the year. Most of these people work with production. The engineering industry remains male dominated and this is also reflected at FinnvedenBulten, where 75% of employees are men and 25% women.

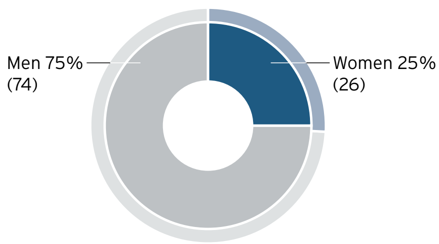
GEOGRAPHICAL DISTRIBUTION EMPLOYEES

Outer circle shows outcome in 2012



GENDER DISTRIBUTION

Outer circle shows outcome in 2012



KEY INDICATORS

	2013	2012
Net sales per employee, SEK 000	**1,666.3**	1,637.3
Operating profit per employee, SEK 000	**57.3**	57.1
Average no. of employees on closing date	**1,837**	1,810

FinnvedenBulten's Code of Conduct

The scope of the Code and the individual's responsibility

This Code of Conduct has been adopted with the aim of expressing the fundamental principles that form the basis for FinnvedenBulten's relations with personnel, shareholders and other stakeholders. All personnel shall be aware of and follow the Code of Conduct. The code, along with our various Group policies, forms the basis for how we work within the Group.

FinnvedenBulten also urges its suppliers, consultants and other business partners to apply the principles.

All employees and members of the board of directors of FinnvedenBulten have an individual responsibility to report conflicts of interest, and breaches or infringements of this Code of Conduct. Any reports should be made to the immediate manager or his/her superior in accordance with FinnvedenBulten's internal communication and reporting channels. FinnvedenBulten will not accept any discrimination or reprisal against employees who report a suspected infringement in good faith.

Our business principles

Business acumen is a key concept for FinnvedenBulten's operation. For us business acumen entails, for example, that we take responsibility for our operation, are receptive to our stakeholders' needs and that we actively take a stand, and evaluate and analyze ourselves, the operation and our business partners.

In relations with our business partners it is vital for us to remain impartial and promote free competition. FinnvedenBulten shall not offer business partners or other stakeholders any payment or other benefit that infringes upon prevailing legislation or good practice. It is the duty of each employee to act in such a way that trust cannot be put into question.

In our operation we shall always comply with the prevailing legislation, rules and regulations in each country where we operate. In the event that this Code of Conduct contravenes compulsory legislation, regulations or other rules, they shall take precedence over this Code of Conduct. If there is no regulation, the principles in this Code of Conduct shall serve as guidance.

Communication and financial reporting

It is essential that FinnvedenBulten is characterized by an open, helpful attitude to all its stakeholders. Objectivity, professionalism and service shall distinguish the way we treat FinnvedenBulten's stakeholders. Disclosure of information shall be in accordance with the applicable legislation, rules and regulations, and the Group's communication shall be long-term and shall comply with the Group's vision, business concept, strategies, goals and values.

FinnvedenBulten's reporting shall provide a true and fair idea of the situation, and financial information shall be reported in a correct and complete manner. The Group shall have appropriate internal control functions and processes for ensuring compliance with applicable legislation, regulations and other rules.

Handling conflicts of interest

A fundamental principle for FinnvedenBulten is that in the event of a conflict of interest in relation to an employee, a related party, an existing or a potential business partner or any other stakeholder, it should primarily be resolved through a mutual agreement based on the principles of good ethics, business acumen, loyalty and trust.

Personnel and members of the board of directors may not have assignments outside of the Group that conflict with or could potentially conflict with the Group's interests.

Environmental principles

FinnvedenBulten works in a goal-oriented way to develop the Group's processes in a sustainable direction. Active environmental work reflects the corporate social responsibility the Group has for ensuring its own production is conducted with the lowest environmental impact that is practically feasible and financially viable. Moreover, personnel shall be well aware that they are an important element in preventive efforts and in the day-to-day environmental work.

FinnvedenBulten shall always follow prevailing environmental legislation and take into account our stakeholders' environmental requirements.

Good working conditions and human rights

Each employee of FinnvedenBulten is expected to actively help create a safe, secure, efficient and quality-conscious workplace characterized by a pleasant and open working climate.

Employees of the FinnvedenBulten shall have equal rights, obligations and opportunities in terms of employment and working conditions, training, education and development regardless of gender, social or ethnic origin, religion, age, disability, sexual orientation, nationality, political views or trade union affiliation. The Group remains neutral in issues regarding political parties and candidates. Neither the company name nor the Group's assets may be used to promote political parties or candidates.

The Group disassociates itself from child labour and work carried out under duress or threat of violence, and supports and respects the protection of internationally asserted human rights.

FinnvedenBulten strives to be an attractive workplace with a good working climate and work environment, where commitment and participation lay the foundation for developing the Group and all its personnel.

Shareholder information

FinnvedenBulten AB (publ) was listed on NASDAQ OMX Stockholm on 20 May 2011. The company is on the Small Cap list under the FBAB ticker. The trading amount is one share.

The share capital is SEK 10,520,103.50 divided among 21,040,207 shares with a nominal value of SEK 0.50 per share. Each share gives one vote and an equal participation in the company's capital and earnings.

Share performance

During 2013, NASDAQ OMX Stockholm rose by 23.0% (12.0). FinnvedenBulten's sector index FinnvedenBulten, OMX Stockholm Automobiles & Parts rose by 32.0% (9.3). FinnvedenBulten's rose by 68.1% (-14.3) from a rate at the start of the year of SEK 29.90 SEK (34.90) to SEK 50.25 (29.90). An increase of market value by SEK 428.2 million (105.2). The lowest price, SEK 26.80 was noted on 21 May 2013 and the highest, SEK 52.50 on 4 December 20132. The market value of FinnvedenBulten at the end of 2013 was SEK 1,057.3 million (629.1).

Share turnover

FinnvedenBulten's total share turnover in 2013 was 12.0 (6.2) million shares, corresponding to an average turnover of 48.2 (24.6) thousand shares per day over 250 (250) trading days.

The turnover rate, calculated as the number of traded shares in relation to the total number of shares in the company, was 57.3% (29.5).

Shareholders

As of 31 December 2013, FinnvedenBulten had 3,153 (1,757) shareholders. The number of registered shareholders abroad was 36.0% (46.8), of which 23.7% (35.2) are held by owners in Luxembourg and 7.6% (7.2) by owners in the UK.

The five largest shareholders as of 31 December 2013 had a total of 54.3% (61.7) of the capital and votes, with the three largest holding 48.0% (55.6).

Senior management of the Group and the divisions and elected board members' shareholdings was at the end of the year 6.7% (7.4).

On 5 March 2014 the ownership structure changed when Nordic Capital Fond V sold its holding in the company. Volito AB increased at this time their holdings and became the company's largest shareholder with a holding of 20.1 percent.

Dividend policy and dividend

FinnvedenBulten's target over time is to pay out a dividend of approximately one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook. For 2013 the Board intends to propose to the Annual General Meeting that the dividend shall be SEK 2.00 (2.00) per share.

Financial information

FinnvedenBulten publishes four interim reports each year and an annual report. These reports are available in both printed and electronic formats on the company's website, www.finnvedenbulten.com.

2014 Annual General Meeting

The Annual General Meeting of FinnvedenBulten AB (publ) will be held on Tuesday 29 April at 17.00 at Swedish Exhibition & Congress Centre (Sw. Svenska Mässan), in Gothenburg, Sweden.

OWNERSHIP STRUCTURE, 31 DECEMBER 2013

Share interval	No. of owners	No. of shares	Shareholding, %
1-500	1,795	407,539	1.94
501-1,000	595	538,135	2.56
1,001-5,000	587	1,443,986	6.86
5,001-10,000	77	604,068	2.87
10,001-15,000	23	302,772	1.44
15,001-20,000	13	245,760	1.17
20,001-	63	17,497,947	83.16
Total	3,153	21,040,207	100.00

Source: Euroclear Sweden AB's register, 31 December 2013.

FINNVEDENBULTEN'S FIVE LARGEST SHAREHOLDERS, 31 DECEMBER 2013

Name	No. of shares	Share of votes and capital, %
Nordic Capital Fond V[1]	4,874,273	23.2
Volito AB	3,726,000	17.7
Öresund, Investment AB	1,493,224	7.1
JP Morgan Chase	811,204	3.9
Catella Fondförvaltning	508,600	2.4
Total, five largest	11,413,301	54.3
Total, others	9,626,906	45.7
Total	21,040,207	100.0

Source: Euroclear Sweden AB's register, 31 December 2013.
[1] Sold their holdings in FinnvedenBulten 5 March 2014.

NUMBER OF SHARES

	Registration date	Change in number of shares	Number of shares after issue
New share issue[1]	2011-05-25	1,842,777	21,040,207
New share issue[2]	2011-05-20	7,197,430	19,197,430
New share issue	2010-01-27	8,000,000	12,000,000
New share issue	2009-01-20	3,000,000	4,000,000
Decrease	2006-02-01	-321,500	1,000,000
New share issue	2006-02-01	321,500	1,321,500
New share issue	2005-01-24	999,000	1,000,000
Start-up	2004-10-12	1,000	1,000

1) New share issue in kind
2) New share issue through offset of shareholder loan

SHARE DATA

Price-related share data	2013	2012
Share price at year-end (final pay price), SEK	50.25	29.90
Highest share price during year (final pay price), SEK	52.50	46.60
Lowest share price during year (final pay price), SEK	26.80	27.20
Market value at year-end	1,057.3	629.1
P/EBITDA	5.45	3.50
P/EBIT	10.04	6.09
P/E	11.97	14.46
P/E, adjusted for one-off effect due to the changed tax rate in Sweden	11.56	10.05
Direct yield, %	3.98	6.69
Data per share		
Earnings before depreciation (EBITDA)	9.23	8.54
Operating earnings (EBIT)	5.00	4.91
Earnings after net financial items (EAFI)	4.18	4.40
Earnings for the year	4.19	2.07
Adjusted for non-recurring items	4.35	2.98
Shareholders' equity	51.74	48.98
Cash flow from current business	10.39	3.44
Cash flow for the year	2.43	-2.29
Proposed dividend	2.00	2.00
Total outstanding ordinary shares, 000s		
Weighted total	21,040.2	21,040.2
At year end	21,040.2	21,040.2

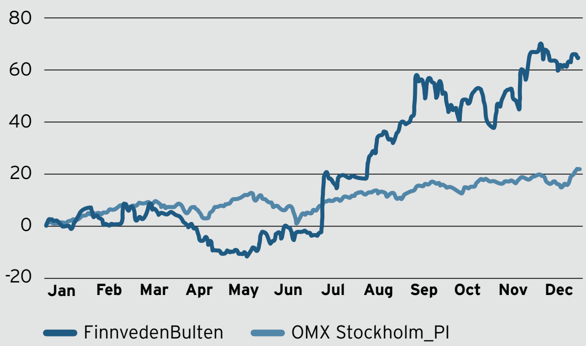
AT THE END OF THE YEAR THE FOLLOWING ANALYSTS WERE FOLLOWING FINNVEDENBULTEN'S DEVELOPMENT

Company	Analyst
Carnegie	Kenneth Toll Johansson
Erik Penser Bankaktiebolag	Johan Dahl
Handelsbanken Capital Markets	Jon Hyltner
Swedbank	Mats Liss

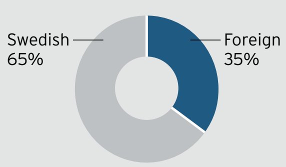
PRESS RELEASES

Q1		
Jan	130123	Invitation to conference call regarding presentation of FinnvedenBulten's Full Year Report for the period January – December, 2012
Feb	130207	FinnvedenBulten Full Year Report for the period January – December, 2012
March	130321	Notice to attend Annual General Meeting of FinnvedenBulten AB (publ)
March	130328	FinnvedenBulten's Annual Report for 2012 released
Q2		
Apr	130412	Invitation to conference call regarding FinnvedenBulten's Q1 report 2013
Apr	130416	The Administrative Court of Appeal gives FinnvedenBulten right in tax ruling
Apr	130424	FinnvedenBulten's Q1 report 2013
Apr	130424	Press release from the Annual General Meeting of FinnvedenBulten AB (publ) April 24, 2013
May	130529	FinnvedenBulten restructures foundry operation and concentrates its European magnesium die casting to Poland
June	130625	Invitation to conference call regarding FinnvedenBulten's Q2 report 2013
Q3		
July	130712	FinnvedenBulten's Half Year Report 2013
Sept	130911	FinnvedenBulten awarded major FSP contract with an annual value of approximately EUR 35 million
Sept	130919	New Deputy Employee Representative in FinnvedenBulten's Board of Directors
Q4		
Oct	131008	Invitation to conference call regarding FinnvedenBulten's Q3 report 2013
Oct	131024	FinnvedenBulten's Nomination Committee for 2014 AGM appointed
Oct	131024	FinnvedenBulten's Q3 Report 2013
Nov	131107	The Supreme Administrative Court decides to abide by the Administrative Court of Appeal's ruling on tax case in favour of FinnvedenBulten
Nov	131119	FinnvedenBulten wins new business of an annual value of approximately SEK 240 million
Dec	131202	FinnvedenBulten signs strategically important contract with automotive manufacturer in China

THE SHARE 2013 (%)

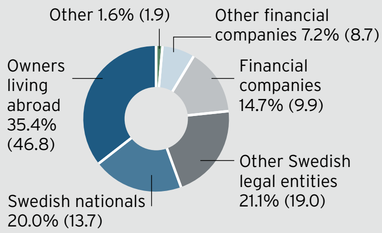


SWEDISH AND FOREIGN OWNERSHIP



Source: Euroclear Sweden AB's register, 31 December 2013

OWNERSHIP STRUCTURE



A BOARD OF DIRECTORS' REPORT

The Board and President hereby submit the annual report and consolidated financial statements for FinnvedenBulten AB (publ), corporate registration number 556668-2141, for the 2013 financial year.

Ownership structure

At the end of the year, FinnvedenBulten AB (publ) was listed on NASDAQ OMX, Stockholm. The largest shareholders in terms of the share capital were Nordic Capital Fund V 23.2% (34.6), Volito AB 17.7% (12.4) and Öresund AB 7.1% (8.6).

Operations

FinnvedenBulten develops and manages industrial activities, offering products, technical solutions and systems in metallic materials. The Group acts as a business partner to international customers in the manufacturing industry, mainly in the automotive industry. Customers are mostly based in Europe, Asia and the US.

Operations are structured into two divisions – Bulten and Finnveden Metal Structures. Bulten develops and manufactures fasteners for the automotive industry. Bulten is one of few companies in Europe that provide full-service responsibility throughout the chain of value for fasteners, from development of the product to final delivery onto the customer's production line. Finnveden Metal Structures manufactures products in steel, magnesium and aluminium or in combinations of these materials. The main manufacturing processes are pressing, casting and joining.

Production mostly takes place in Europe, although the Group also operates a highly modern production plant for fasteners in China.

At the end of 2013, FinnvedenBulten's business was in six countries with 1,837 (1,810) full-time employees, an increase of 1.5% from the end of 2012.

The Group's invoiced sales in 2013 were SEK 3,061.0 (2,963.5) million, of which SEK 1,811.4 (1,710.5) million was attributable to Bulten and SEK 1,256.5 (1, 261.4) million to Finnveden Metal Structures.

Year in brief

FinnvedenBulten's operating profit strengthened during the year due to increased volumes and the impact of ongoing and completed rationalisation. Orders have increased significantly, with a large part of the increase coming from new contracts in the Bulten division.

The Bulten division continues to perform well and generate good growth with its successful FSP-concept (Full Service Provider). During the year, the division won several new and significant orders worth around SEK 500 million at an annual rate. During the year, a logistics hub was established in the US, and the logistics capacity in the UK was strengthened. The registration of the company in Russia has been completed and preparations are being made for the start of production.

The Finnveden Metal Structures division has improved its profitability during the year due to increased deliveries and production volumes and rationalization measures. Restructuring of the foundry business to Poland had the highest priority.

Order bookings and net sales

Order bookings for the full year were SEK 3,266 (2,833) million, an increase of 15.3% compared with the previous year.

Net sales for the full year totalled SEK 3,061.0 (2,963) million, an increase of 3.3%.

According to LMC Automotive (LMC), production of light vehicles in Europe declined by 1.1% and production of heavy vehicles climbed by 0.6% in 2013 compared with 2012. Weighted for FinnvedenBulten's exposure, this means that average growth in the sector was around -0.7% in 2013.

Earnings and profitability

The Group's gross profit was SEK 504.6 (446.6) million, corresponding to a gross margin of 16.5% (15.1).

Earnings before depreciation (EBITDA) were SEK 194.1 (179.8) million, corresponding to an EBITDA margin of 6.3% (6.1).

Earnings (EBIT) were SEK 105.3 (103.3) million, corresponding to an operating margin of 3.4% (3.5). The earnings margin adjusted for non-recurring expenses amounted to SEK 4.7% (3.5). In 2013, non-recurring items amounted to SEK -38.8 relating to the restructuring scheme for refining the foundry business impacted on operating earnings, of which SEK -23.8 million was before depreciation.

Key financial indicators

	2013	2012	2011	2010	2009
Net sales	3,061.0	2,963.5	3 085.0	2,607.3	2,042.1
EBITDA margin, %	6.3	6.1	8.9	7.1	-2.9
EBIT margin (operating margin), %	3.4	3.5	6.5	4.4	-7.2
Adjusted EBIT margin (operating margin), % *	4.7	3.5	7.1	4.8	-4.6
Capital turnover, times	2.2	2.3	2.4	2.2	1.8
Return on capital employed, % %	7.8	8.2	15.4	9.5	Neg
Return on equity, %	8.3	4.2	15.1	44.5	Neg
Net debt/equity ratio, times	0.2	0.2	0.2	1.3	1.9
Adjusted net debt/equity ratio, times *	0.2	0.2	0.2	0.2	0.3
Interest coverage ratio, times	5.9	6.9	4.3	1.5	-1.2
Equity/assets ratio, %	53.0	55.7	54.3	25.9	21.2
Adjusted equity/assets ratio, % *	53.0	55.7	54.3	48.8	45.6
Average no. of employees	1,837	1,810	1,746	1,576	1,451

* Adjusted EBIT margin. Operating profit adjusted for non-recurring costs as a percentage of net sales for the year.
* Adjusted net debt/equity ratio. Interest-bearing net debt divided by equity. In the calculation, the shareholder loan and preference shares are classified as equity.
* Adjusted equity/assets ratio includes the shareholder loan and preference shares.

The first quarter was affected by lower sales and profitability problems at the Swedish foundry business within the Finnveden Metal Structures division. Subsequently, the divisions had a higher and more consistent loading with gradually improving profitability.

Net financial items in the Group were SEK -17.4 million (-10.8). Financial income was SEK 0.5 million (5.0). Last year's figures included positive currency effects of SEK 4.8 million. Financial costs were SEK -17.9 million (-15.8) and mainly refer to interest costs for loans from external creditors of SEK -14.1 million (-13.9), currency differences of SEK -0.8 million (-) and other financial costs of SEK -3.0 million (-1.9).

The Group's profit before tax was SEK 87.9 million (92.5) and the profit after tax was SEK 88.2 million (43.5).

The tax cost for the period was SEK 0.3 million (-49.0) which included, inter alia, a deferred tax asset of SEK 27.1 million relating to additional loss deductions in accordance with a verdict from the Swedish administrative court of appeal. Last year there was a non-recurring effect relating to SEK -19.1 million for deferred tax due to the change in the Swedish tax rate.

Investments

Investments in intangible and tangible fixed assets were SEK 117.7 million (112.7). SEK 111.1 million (100.2) of the investments relate to machinery and equipment. The corresponding sum for intangible fixed assets was SEK 6.6 million (12.5). Depreciation for the period was SEK -73.8 million (-76.5), and impairment for the period was SEK -15.0 million (-), an aggregate of SEK -88.8 million (-76.5).

Cash flow, capital tied up and financial position

Cash flow from operating activities before changes in working capital totalled SEK 163.7 (123) million, which equates to 5.3% (4.2) of net sales. Cash flow effects of the change in working capital amounted to SEK -54.9 (-50.6) million. Inventories rose in the year by SEK 28.4 (56.3) million, while operating receivables increased by SEK 45.1 (-68.5) million.

Accounts receivable during the past year averaged SEK 492.6 (497.9) million, which equates to 16.1% (16.8) of net sales. Average inventories have risen and were SEK 532.4 (490.1) million, corresponding to an inventory turnover of 4.8 (5.1) times.

Consolidated cash and cash equivalents were SEK 104.0 (51.8) million at year-end. In addition, the Group had approved but unutilised overdraft facilities of SEK 361.8 (327) million, which means that disposable cash and cash equivalents were SEK 465.8 (382) million. Disposable cash and cash equivalents therefore were about 15.2% (12.9) of net sales.

Consolidated total assets at year end were SEK 2,080.3 (1,850.0) million. Equity in the Group was SEK 1,103.5 (1,030.6) million at the end of the financial year. In addition to net income for the year of SEK 88.2 (43.5) million, translation differences totalling SEK 11.9 (0.6) million and transactions with shareholders totalling SEK -27.2 (-42.1) million have had an impact on equity.

On the closing date net debt was SEK 185.2 (246.1) million.

The equity/assets ratio was 53.0% (55.7). Group goodwill at the end of the financial year was SEK 196.3 (181.4) million, or 9.4% (9.8) of total assets. During 2013, in accordance with the framework of collaboration with GAZ, the establishment of the company in Russia was completed, which generated consolidated goodwill amounting to SEK 14.9 million.

Risks and risk management

Exposure to risk is a natural part of a business and this is reflected in FinnvedenBulten's approach to risk management. This aims to identify risks and prevent any risks occurring or to limit any damage resulting from these risks.

Risks can be categorised as operational and financial risks. For a description of how the Group manages these risks in the business, see Note 3.

Permits and the environment

FinnvedenBulten engages in manufacturing at nine facilities, located in Sweden, Germany, Poland and China. At the end of 2013, three Swedish facilities were subject to permit requirements and one was subject to a reporting obligation under the Swedish Environmental Code.

The permit and reporting requirements are due to the nature of the operations, which principally comprise activities involving machining, sheet metal processing, finishing (surface treatment) and assembly, as well as part casting. The primary environmental impact derives from the manufacturing processes in the form of emissions to water and air, waste generation, resource utilisation and noise.

FinnvedenBulten has an expressed strategy for reducing the environmental impact of, among other areas, its process water, energy consumption, transport, chemicals and waste. Manufacturing units outside Sweden adapt their operations, apply for the necessary permits and report to the authorities as required by local legislation. A new license application was submitted in the autumn 2013 for the business at Hallstahammar prior to an increase in volumes and changed activities, which is expected to be granted in 2014 without a requirement for further investment.

In December 2011 Finnveden Metal Structures applied for a separate permit for its factory at Olofström and in June 2013 the permit was awarded by Skåne's County Administrative Board in accordance with the Swedish environmental legal code.

Parent company

FinnvedenBulten AB (publ) owns, directly or indirectly all the companies in the Group.

The equity/assets ratio was 80.2% (82.5). Equity was SEK 1,188.0 (1,206.6) million.

Disposable cash and cash equivalents in the parent company totalled SEK 4.1 (6.0) million. The company had eight employees on the closing date.

Total number of shares

The total number of ordinary shares as of 31 December 2013 was 21,040,207.

	Registration date	Change in number of shares	Number of shares after issue
New share issue[1)]	2011-05-25	1,842,777	21,040,207
New share issue[2)]	2011-05-20	7,197,430	19,197,430
New share issue	2010-01-27	8,000,000	12,000,000
New share issue	2009-01-20	3,000,000	4,000,000
Reduction	2006-02-01	-321,500	1,000,000
New share issue	2006-02-01	321,500	1,321,500
New share issue	2005-01-24	999,000	1,000,000
New formation	2004-10-12	1,000	1,000

1) New share issue in kind
2) New share issue through offset of shareholder loan

Board activities

The Board has adopted a set of working procedures and a number of policies that define the allocation of responsibilities between the Board, President and Group management. The Board has the ultimate responsibility for the Group's operations and organisation, and ensures that the President's duties and the financial operations are carried out in compliance with established principles. The board held nine meetings during the year.

From its membership, the Board has appointed an audit committee and a remuneration committee. During the year, the audit committee held six meetings and the remuneration committee three meetings.

Guidelines for remuneration to senior management

The 2013 Annual General Meeting reached a decision on the following guidelines for remuneration and other employment terms and conditions for senior executives. The guidelines cover remuneration and other employment terms and conditions for FinnvedenBulten's President and other senior executives.

Salaries and other terms and conditions of employment shall be adequate for FinnvedenBulten to constantly attract and retain skilled senior managers at a reasonable cost to the Company. Remuneration in FinnvedenBulten shall be based on principles of performance, competitiveness and fairness. The salaries of senior executives are made up of a fixed salary, bonuses, pension and other benefits. Every senior manager shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibility, expertise and performance. In addition, the AGM may resolve to offer long-term incentive programs such as share and share price-related incentive programs. These incentive programs are intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

All senior managers may be offered cash bonuses now and again. In the case of the CEO such bonuses may amount to a maximum of 60 percent of the annual fixed salary. In the case of the other senior managers bonuses may not exceed 40 percent of their annual fixed salaries. Bonuses shall primarily be based on developments in the Group as a whole or developments in the division or unit which the person in question is responsible for. For further information about remuneration to senior managers, see note 6 of this annual report.

Prior to the 2014 AGM the Board is proposing to maintain with smaller updates the same guidelines adopted at the 2013 AGM for remuneration to senior managers.

Corporate governance report

FinnvedenBulten is submitting a separate corporate governance report, which is included in this annual report on pages 74-79.

Significant events after the end of the financial year

During the first quarter of 2014 FinnvedenBulten signed an agreement for the sale of the Swedish aluminium operations in Finnveden Gjutal AB in the Finnveden Metal Structures division. The divested aluminium operations and additional restructuring charges are expected to make a positive net contribution to operating income of approximately SEK 10 million in 2014.

Outlook for 2013

The Bulten division has grown strongly and has a clear focus on organic growth in Europe, Russia and China. The conditions for continued organic growth on the global auto market are very good. Through structural measures within Finnveden Metal Structures the division has a strong position in Europe and improved possibilities for both organic growth and growth through acquisitions. To establish sharper focus and clarify the value in each business activity the Board and senior executives have begun assessing a possible division of the Group. The aim of this evaluation is to optimise the divisions' future opportunities and to achieve long-term added value for shareholders.

Proposed disposition of earnings

FinnvedenBulten's objective over time is to share around one third of net earnings after tax. Consideration is however given to the company's financial position, cash flow and future prospects.

The following profit in the Parent Company (SEK) is at the disposal of the Annual General Meeting:

Share premium	1,132,950,039
Profit brought forward	-55,051,219
	1,077,898,820

The Board of Directors and the President propose that these funds be distributed as follows (SEK):

Board proposal for dividend (SEK 2.00 per share)	42,080,414
To be carried forward to new account	1, 035,818,406
Total	1, 077,898,820

It is proposed that 5 May 2014 be the settlement date for the dividend. If the AGM agrees to the Board's proposal, payment via Euroclear Sweden AB is expected to be completed by 8 May 2014.

The company has 21,040,207 shares, all of which bear entitlement to receive the dividend.

Statement of the Board concerning the proposed dividend

The equity/assets ratio on 31 December 2013 was 80.2% for the parent company and 53.0% for the Group. No part of the parent company's equity or the Group's equity relates to market values of financial instruments. The currently proposed dividend of SEK 42,080,414 means that the parent company's equity/assets ratio will fall to around 79.6% and the Group's equity/assets ratio will fall to around 52.1%.

It is the Board's assessment that the long-term earnings capability of the parent company and the Group is secure and that from this perspective the dividend is appropriate. It is further judged that the liquidity of the parent company and Group can be maintained at secure levels.

The Board considers that the proposed dividend is appropriate in relation to the demands that the type, scope and risks of the business place upon the amount of equity in the parent company and Group, and with regard to the consolidation requirements, liquidity and general financial position of the parent company and Group.

CONSOLIDATED INCOME STATEMENT

SEK MILLION	Note	2013	2012
Net sales	5	3,061.0	2,963.5
Cost of goods sold		-2,556.4	-2,516.9
Gross profit		504.6	446.6
Other operating income	8	12.4	24.2
Selling expenses		-156.1	-147.2
Administrative expenses		-218.6	-211.0
Other operating expenses	9	-37.0	-9.3
Operating profit	6, 7, 10 ,11	105.3	103.3
Financial income	12	0.5	5.0
Financial expenses	13	-17.9	-15.8
Earnings before tax	14	87.9	92.5
Tax on year's earnings	15	0.3	-49.0
Profit/loss for the financial year		**88.2**	**43.5**
Attributable to			
Parent company shareholders		88.3	43.5
Minority interests		-0.1	0.0
		88.2	**43.5**
Earnings per share, SEK [1]	16	4.19	2.07
Earnings per share, adjusted for non-recurring items, SEK [1]	41	4.35	2.98

[1] Both before and after dilution

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	2013	2012
Income for the year	88.2	43.5
Other comprehensive income		
Items not to be returned in income statement		
Re-assessment of defined-benefit pension plans, net after tax	0.8	0.3
Items to be returned in income statement at a later date		
Derivative instruments, cash flow hedging, net after tax	-0.9	-1.2
Exchange rate differences	11.9	0.6
Total other comprehensive income	**11.8**	**-0.3**
Total comprehensive income for the year	**100.0**	**43.2**
Attributable to		
Parent company shareholders	100.1	43.2
Minority interests	-0.1	0.0
	100.0	**43.2**

CONSOLIDATED BALANCE SHEET

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SEK MILLION	Note	31-12-2013	31-12-2012
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	17	196.3	181.4
Other intangible fixed assets	17	19.6	12.8
Total intangible fixed assets		215.9	194.2
Tangible fixed assets			
Land and buildings	17	29.3	23.4
Plant and machinery	17, 19	293.0	289.0
Equipment, tools, fixtures and fittings	17, 19	43.7	47.6
Construction in progress and advances for tangible fixed assets	18	78.9	44.8
Total tangible fixed assets		444.9	404.8
Financial assets			
Other securities held as fixed	20	0.1	0.4
Deferred tax receivables	31	125.6	102.8
Other long-term receivables	21	23.1	2.8
Total financial assets		148.8	106.0
Total fixed assets		809.6	705.0
Current assets			
Inventories	22	546.6	518.2
Derivative instruments	23	–	1.8
Current receivables			
Accounts receivable	24	524.2	461.0
Current tax receivables		5.1	3.1
Other receivables		36.4	67.5
Prepaid costs and accrued income	25	54.4	41.6
Total current receivables		620.1	573.2
Cash and cash equivalents	26	104.0	51.8
Total current assets		1,270.7	1,145.0
Total assets		**2,080.3**	**1,850.0**

SEK MILLION	Note	31-12-2013	31-12-2012
EQUITY AND LIABILITIES			
Equity			
Share capital	28	10.5	10.5
Additional contributed capital	28	1,262.9	1,262.9
Other reserves	29	-23.0	-34.8
Retained earnings		-161.8	-208.0
Equity attributable to parent company shareholders		1,088.6	1,030.6
Minority interests		14.9	0.0
Total equity		1,103.5	1,030.6
Liabilities			
Non-current liabilities			
Other interest-bearing liabilities	33	225.0	249.6
Provisions for pensions	30	20.9	20.6
Deferred tax liabilities	31	3.7	2.2
Total non-current liabilities		249.6	272.4
Current liabilities			
Other interest-bearing liabilities	33	46.0	30.5
Accounts payable		475.8	324.7
Current tax liabilities		7.0	7.5
Other liabilities		30.7	51.1
Accrued expenses and deferred income	36	155.2	132.5
Derivative instruments	23	–	0.7
Other provisions	32	12.5	–
Total current liabilities		727.2	547.0
Total equity and liabilities		**2,080.3**	**1,850.0**
Pledged assets	34	1,491.5	1,382.3
Contingent liabilities	37	50.0	83.5

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

B

SEK MILLION	Note	Attributable to parent company shareholders: Share capital	Additional contributed capital	Other reserves	Retained earnings	Total	Minority interest	Total equity
Opening balance, 1 January 2012		10.5	1 ,262.9	-31.2	-209.4	1,032.8	–	1,032.8
Effect of change in accounting principle	43	–	–	-3.3	–	-3.3	–	-3.3
Adjusted opening balance		10.5	1,262.9	-34.5	-209.4	1,029.5	–	1,029.5
Comprehensive income								
Profit/loss for the year		–	–	–	43.5	43.5	–	43.5
Other comprehensive income								
Items not to be returned in income statement								
Re-assessment of defined-benefit pension plans, net after tax [1]		–	–	0.3	–	0.3	–	0.3
Items to be returned in income statement at a later date								
Derivative instruments, cash flow hedging, net after tax [1]	23	–	–	-1.2	–	-1.2	–	-1.2
Exchange rate differences		–	–	0.6	–	0.6	–	0.6
Total comprehensive income		–	–	-0.3	43.5	43.2	–	43.2
Transactions with shareholders								
Dividend to parent company shareholders (SEK 2.00 per share)		–	–	–	-42.1	-42.1	–	-42.1
Total transactions with shareholders		–	–	–	-42.1	-42.1	–	-42.1
Closing balance, 31 December 2012		**10.5**	**1,262.9**	**-34.8**	**-208.0**	**1,030.6**	–	**1,030.6**
Comprehensive income								
Profit/loss for the year		–	–	–	88.3	88.3	-0.1	88.2
Other comprehensive income								
Items not to be returned in income statement								
Re-assessment of defined-benefit pension plans, net after tax [1]		–	–	0.8	–	0.8	–	0.8
Items to be returned in income statement at a later date								
Derivative instruments, cash flow hedging, net after tax [1]	23	–	–	-0.9	–	-0.9	–	-0.9
Exchange rate differences		–	–	11.9	–	11.9	–	11.9
Total comprehensive income		–	–	11.8	88.3	100.1	-0.1	100.0
Transactions with shareholders								
Minority interest via acquisition	42	–	–	–	–	–	15.0	15.0
Dividend to parent company shareholders (SEK 2.00 per share)		–	–	–	-42.1	-42.1	–	-42.1
Total transactions with shareholders		–	–	–	-42.1	-42.1	15.0	-27.1
Closing balance, 31 December 2013		**10.5**	**1,262.9**	**-23.0**	**-161.8**	**1,088.6**	**14.9**	**1,103.5**

1) Tax effects are explained in Note 15.

CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	2013	2012
Operating activities		
Earnings after financial items	87.9	92.5
Adjustments for items not included in cash flow	101.4	48.2
Taxes paid	-25.6	-17.7
Cash flow from operating activities before changes in working capital	163.7	123.0
Cash flow from changes in working capital		
Increase(–)/Decrease(+) in inventories	-46.5	-53.7
Increase(–)/Decrease(+)in operating receivables	-40.0	57.1
Increase(+)/Decrease(–) in operating liabilities	141.4	-54.0
Cash flow from operating activities	218.6	72.4
Investing activities		
Acquisition of intangible fixed assets	-6.6	-12.5
Acquisition of tangible fixed assets	-111.1	-100.2
Divestment of tangible fixed assets	43.0	1.6
Change in financial assets	0.5	0.7
Cash flow from investing activities	-74.2	-110.4
Financing activities		
Loans assumed	26.4	3.1
Amortisation of borrowings	-4.5	-2.1
Change in overdraft facilities and other financial liabilities	-73.0	30.9
Dividend to parent company shareholders	-42.1	-42.1
Cash flow from financing activities	-93.2	-10.2
Cash flow for the year	51.2	-48.2
Change of cash and cash equivalents	51.2	-48.2
Cash and cash equivalents at start of financial year	51.8	102.7
Exchange rate difference in cash and cash equivalents	1.0	-2.7
Cash and cash equivalents at year end	104.0	51.8

CONSOLIDATED NET DEBT COMPOSITION

SEK MILLION	31-12-2013	31-12-2012
Long-term interest-bearing liabilities	225.0	249.6
Provisions for pensions	20.9	20.6
Current interest-bearing liabilities	46.0	30.5
Financial interest-bearing receivables	-2.7	-2.8
Cash and cash equivalents	-104.0	-51.8
Net debt at year end	185.2	246.1

CONSOLIDATED ADDITIONAL DISCLOSURES FOR CASH FLOW ANALYSIS

B

SEK MILLION	2013	2012
Adjustments for items not included in cash flow		
Expensed unpaid interest	0.1	0.1
Depreciation and impairment of fixed assets	88.8	76.5
Unrealized currency gain/currency loss	2.2	-7.5
Change in provisions	12.5	-7.0
Income from sale of fixed assets	-2.2	–
Other non cash-affecting items	–	-13.9
	101.4	48.2
Interest paid and received		
Interest paid	14.0	13.8
Interest received	0.3	0.2

CONSOLIDATED CHANGE IN NET DEBT

SEK MILLION	2013	2012
Net debt at start of year	246.1	161.6
Change in bank overdraft and other financial liabilities	-62.1	35.4
Loan raised	26.4	3.1
Amortisation of interest-bearing liabilities	-4.5	-2.1
Change of finance lease liabilities	31.1	-7.4
Changes in provisions for pensions	0.3	3.9
Change in interest-bearing assets	0.1	0.7
Change in liquid funds	-52.2	50.9
Net debt at year-end	185.2	246.1

NOTES

All amounts in SEK million unless otherwise stated. Figures in brackets refer to the previous year.
Some figures are rounded up, so amounts might not always appear to add up when summarised.

NOTE 1 GENERAL INFORMATION

FinnvedenBulten AB (publ) (the parent company), Corp. Reg. No. 556668-2141 and its subsidiaries (jointly the Group) manufacture and distribute automotive components. The parent company conducts operations in the legal form of a limited liability company, with its registered office in Göteborg, Sweden. The company's postal address is FinnvedenBulten AB, Box 9148, 400 93 Göteborg, Sweden. These consolidated financial statements were approved by the Board on 26 March 2014 for publication and will be presented to the annual general meeting of shareholders on 29 April 2014.

NOTE 2 SUMMARY OF IMPORTANT ACCOUNTING POLICIES AND DISCLOSURES

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and in accordance with the Council for financial reporting's recommendation, RFR 1, Supplementary accounting rules for groups, and the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, except for derivative instruments, which are assessed at fair value. The parent company's accounting policies correspond to those of the Group unless otherwise stated.

In addition to these standards, both the Swedish Companies Act and the Annual Accounts Act require certain supplementary disclosures to be made.

Preparing financial reports in accordance with IFRS requires important accounting estimates to be made. The management also needs to make certain assessments in applying the company's accounting policies. The areas subject to a high degree of assessment or complexity, or areas in which assumptions and estimates are of considerable importance to the consolidated financial statements, are described in Note 4. The estimates and assumptions are regularly reviewed, and the effect on the amounts recognised are accounted for in the income statement.

New and revised accounting standards applied by the Group in 2013

Outlined below are the standards applied by the Group for the first time for the financial year starting 1 January 2013, and which have a material impact on the Group's financial statements:

Changes have been made to IAS 1 "Presentation of Financial Statements" concerning other comprehensive income. The most significant change in the revised IAS 1 is the requirement that the items presented in "other comprehensive income" will be presented in two groups. The distribution is based on whether items may be reclassified to profit or loss (reclassification adjustments) or not.

IAS 19 " Employee Benefits " was revised in June 2011. The change means that the "corridor approach" should be removed and the cost of past service recognized immediately. Interest costs and expected return on plan assets will be replaced by a net interest calculated using the discount rate, based on the net surplus or deficit in the defined-benefit plan. The effect on the financial statements is presented in note 43.

An amendment was made to IAS 36, "Impairment of Assets" , for disclosures about the recovery value of non-financial assets. The amendment removes the requirement for information on the recoverable amount of cash generating units that had been introduced in IAS 36 on the issue of IFRS 13. The change is not mandatory for the Group until 1 January 2014 but the Group has elected to apply the amendment from 1 January 2013.

New and amended standards that have not yet gained force and that are not being applied in advance by the Group, are presented on pages 45-46.

Consolidated financial statements

Subsidiaries

A subsidiary is any company in which the Group is entitled to formulate financial and operational strategies in a way that usually accompanies a shareholding totalling more than 50% of the voting rights. The existence and effect of potential voting rights which are currently possible to use or convert, are taken into account in assessing whether the Group has a controlling influence over another company. Subsidiaries are included in the consolidated financial statements from the day on which controlling influence passes to the Group. They are excluded from the consolidated financial statements from the day on which this controlling influence ceases.

The purchase method is used in accounting for the Group's business combinations. The cost of an acquisition comprises the fair value of assets provided as remuneration, equity instruments issued and arisen or assumed liabilities on the transfer date. The acquisition cost also includes the fair value of all assets and liabilities arising from any agreement about conditional purchase sums. Costs relating to an acquisition are capitalised as they arise. For each acquisition the Group determines whether any minority interest in the acquired business shall be reported at fair value or using the proportional share of the acquired company's net assets. The amount by which the purchase sum, any minority interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of the Group's proportion of identifiable acquired net assets is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the income statement.

When the Group no longer has a controlling influence, each remaining shareholding is assessed at fair value at the time when the controlling influence is terminated. The change on the reported amounts is reported in the income statement. Fair value is used as the first reported value and forms the basis for continued reporting of the remaining holding as an associate company, joint venture or financial asset. All amounts concerning the divested unit that were previously reported in other comprehensive income, is reported as if the Group had directly sold the attributable assets or liabilities. This may mean that amounts previously reported in other comprehensive income are reclassified as earnings.

Transactions with minority shareholders

The Group applies the principle of treating transactions with minority interests as transactions with the Group's shareholders. For purchases from minority interests, the difference is recognised between the compensation that has been paid and the actual acquired share of the carrying value of the subsidiary's net assets in equity. Gains and losses on divestments to minority interests are also recognised in equity.

C

Associated companies
An associated company is any company in which the Group has a considerable but not controlling influence, which generally equates to shareholdings of between 20% and 50% of the voting rights. Holdings in associated companies are recognised in accordance with the equity method and are initially measured at cost. The Group's carrying amount for holdings in associated companies includes goodwill identified in the acquisition. The Group's share of revenues arising in the associated company following the acquisition is recognised in the income statement.

C

Joint Ventures
In terms of accounting, a joint venture is a company over which the company has a joint controlling influence through a business agreement. In the consolidated accounts, holdings in joint ventures are recognised in accordance with the proportional method. This means that the Group's share of the company's income, expenses, assets and liabilities is recognised as part of the consolidated total, item by item.

Elimination of transactions between Group companies
Intra-Group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are also eliminated, unless the transaction is proof of an impairment requirement for the transferred asset. Unrealised gains and losses arising from transactions between the Group and its associated companies and joint ventures are eliminated in relation to the Group's holding in those companies. The accounting policies for subsidiaries, associated companies and joint ventures have been changed where appropriate to ensure consistent application of the Group's policies.

Translation of foreign currencies
Items in the financial statements for the various Group units are measured in the currency used in the economic environment where each company primarily operates (the functional currency). In the consolidated financial statements the Swedish krona (SEK) is used, which is the parent company's functional and reporting currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses arising from settlement of such transactions and recalculation of monetary assets and liabilities in foreign currencies at the closing day rate are accounted for in the income statement. Exchange gains and losses attributable to loans and cash and cash equivalents are reported as financial incomes and expenses. All other exchange gains and losses are reported as 'Other operating income' or 'Other operating costs'.

The results and financial position of all Group companies are translated into the Group's reporting currency. Assets and liabilities are translated at the closing day rate, income and expenses are translated at the average rate and any resulting exchange rate differences are recognised as a separate portion of equity. Fair value adjustments and goodwill arising from the acquisition of a foreign operation are recognised as assets and liabilities in that operation and translated at the closing day rate.

The following exchange rates have been used when translating results of foreign subsidiaries:

	Average exchange rate		Closing rate	
	2013	2012	2013	2012
CNY	1.06	1.07	1.07	1.05
EUR	8.65	8.71	8.94	8.62
GBP	10.19	10.73	10.73	10.49
PLN	2.06	2.08	2.15	2.12
USD	6.51	6.78	6.51	6.52

Classification
Fixed assets and long-term liabilities consist essentially of only those amounts expected to be recovered or paid after more than 12 months of the balance sheet date. Current assets and current liabilities consist essentially of only those amounts expected to be recovered or paid within 12 months of the balance sheet date.

Non current assets (or divestment groups) held for sale and discontinued operations
Fixed assets (or divestment groups) are classified as non current assets held for sale and recognised at the lower of carrying amount and fair value less costs of sales if their carrying amount is recovered principally through a sale transaction and not through continuous use.

A discontinued operation is a component of the Group that has either been sold or classified as held for sale, and is an independent branch of the business or a significant activity that forms part of a single coordinated plan for divestment.

Intangible assets
Expenditure on research and development
The Group conducts no research and development of the kind that is to be capitalised as an intangible asset. Expenditure is written off as it arises. The Group only conducts development directly linked to customer orders. This process is preparatory in nature and is generally conducted ahead of planned production start-up.

Goodwill
Goodwill is the amount by which the cost exceeds the fair value of the Group's proportion of the subsidiary/associated company's identifiable net assets upon acquisition. Goodwill upon acquisition of subsidiaries is recognised under intangible assets. Goodwill upon acquisition of associated companies is included in the value of holdings in associated companies.

Goodwill is tested annually to identify any impairment requirement and is recognised at cost less accumulated impairments. Impairment of goodwill is not returned.

Gains or losses from the sale of a unit includes the remaining carrying amount of the goodwill pertaining to the divested unit.

Goodwill is distributed between cash generating units upon testing to determine any impairment requirement. For business combinations where the cost is less than the net fair value of the acquired assets and assumed liabilities and contingent liabilities, the difference is recognised directly in the income statement.

Other intangible assets
Other intangible assets acquired by the company are recognised at cost minus accumulated depreciation and impairments. Expenditure for internally generated goodwill and trademarks is recognised in the income statement as an expense as it is incurred. The Group's intangible assets include acquired software licences, which are set up as assets on the basis of expenditure arising when the software in question was acquired and started up. The expenditure is capitalised to the extent that the probable economic benefits exceed the expenditure.

Depreciation
Depreciation according to plan is based on the original purchase cost less any residual value. Depreciation is applied on a straight-line basis over the useful life of the asset and is accounted for as an expense in the income statement. Depreciation takes place from the accounting period in which the asset becomes available for use. Depreciation for intangible assets is five years.

Tangible assets
Tangible fixed assets are recognised as assets in the balance sheet when, on the basis of available information, it is likely that the future economic benefit associated with its possession will accrue to the Group, and the cost of the asset can be reliably calculated.

Tangible fixed assets are recognised at cost less accumulated depreciation and any impairments.

The cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Also included are estimated costs for dismantling and removing the assets, as well as restoring the site or area where such costs are generated.

The cost of fixed assets manufactured in-house includes expenses for materials, remuneration to employees, direct manufacturing costs and the cost of borrowing where a substantial period of time is needed to prepare it for its intended use.

Subsequent costs are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the income statement in the period in which they arise.

The carrying amount for a tangible fixed asset is derecognised from the balance sheet on scrapping or sale, or when no future economic benefits are expected from its use. The net financial gain or loss from the sale or scrapping comprises the selling price and carrying amount of the asset less direct selling expenses. This is recognised as other operating income/expense.

Sale and Leaseback
Sale and leaseback transactions have the form of a sale of an asset followed by leasing of the same asset in accordance with a leasing agreement. The factor that determines how sales and leaseback is reported is the classification of the leasing transaction. If a sale and leaseback results in a financial leasing agreement, the profit that arises if the sale price is higher than the asset's reported value is recognized over the leasing period. If the leasing agreement results in an operational leasing agreement, any profit or loss arising upon sale is reported for the period when the sale took place, provided that the sale price is based on fair value.

Leasing – lessees
Leases are classified in the consolidated financial statements as either financial or operating leases. A financial lease is a lease whereby the economic risks and benefits associated with ownership are in all essentials transferred to the lessee; if this is not the case the lease is an operating lease. Assets leased in accordance with financial leases have been recognised as assets in the consolidated balance sheet. Obligations to pay future lease payments have been recognised as non-current and current liabilities. The leased assets are depreciated according to plan while the lease payments are recognised as interest and debt reduction. The interest expense is distributed over the lease term so that each accounting period is assigned an amount corresponding to a fixed interest rate for the liability recognised in the respective period. Variable fees are charged as expenses in the periods in which they arise.

For operating leases the lease payment is expensed over the lease term starting from initial use, which may differ from what is de facto paid in leasing fees during the year.

If significant conditions change during the agreement term, an assessment is made as to whether these new conditions – if known at year-end – would require a different classification of the agreement at the start of the leasing period, and if this is the case, the agreement is treated as a new one that shall be tested with the parameters valid at the time the new agreement is entered into.

Principles for depreciating tangible fixed assets
Depreciation according to plan is based on the original purchase cost less estimated residual value. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset.

The following depreciation periods are applied:

Acquired tangible assets	
Buildings	25 – 40 years
Plant and machinery	5 – 14 years
Equipment, tools, fixtures and fittings	3 – 10 years

Impairments
Assets with an indefinite useful life are not depreciated but tested annually to determine any impairment requirement. Assets that are depreciated are assessed in terms of decrease in value whenever an event or a change in circumstances indicates that the carrying amount may not be recoverable. An impairment is made for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less selling expenses, and value in use. On determining the impairment requirement, assets are grouped at the lowest levels at which there are separate, identifiable cash flows (cash generating units).

C

Inventories

Inventories are stated at the lower of cost and net selling price. The cost for inventories is based on the first-in first-out principle (FIFO) and includes costs arising upon acquisition of the inventories and their transport to their current location and condition. Net selling price is the estimated sales price in the ordinary course of business, less estimated costs for completing and bringing about a sale. Valuation thereby takes into account the risk of obsolescence.

For manufactured goods and work in progress, the cost includes a reasonable proportion of indirect production costs. Valuation has taken into account normal capacity utilisation.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, other short-term investments maturing within three months, and bank overdraft facilities.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Transaction costs directly attributable to the issue of new shares or options are recognised net after tax in equity as a deduction from the issue settlement. When financial liabilities are eliminated due to parts or all of the loan being repaid through issued shares, the shares are valued at fair value and the difference between this value and the reported value of the loan is recorded in the income statement. In the event of the lender being directly or indirectly a shareholder, the issued amount corresponds to the recorded value of the financial liability being eliminated (so-called set-off issue), the issued amount. In this way there is no profit or loss to report in the income statement.

Accounts payable

Accounts payable are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognised as long-term liabilities.

Borrowing

Borrowing is initially recognised at fair value. Borrowing is subsequently recognised at the accrued cost, and any difference between the amount received and the repayment amount is recognised in the income statement over the borrowing term, using the effective interest method. Preference shares, which are mandatorily redeemable at a specific time, are classified as liabilities. Dividends from these are recognised in the income statement as interest expense.

Borrowing is classified as current liabilities unless the Group has an unconditional right to postpone payment of the liability for at least 12 months after the balance sheet date.

Remuneration to employees

Pension obligations

The Group's companies have different pension systems in accordance with local terms and generally accepted practice in the countries where they operate.

The predominant form of pension is the defined-contribution plan. These plans mean that the company settles its undertaking continuously through payments to insurance companies or pension funds.

Pension plans, however, that are based on an agreed prospective pension right, known as defined benefit pension plans, mean that the company has a responsibility that extends beyond normal obligations and, for example, where assumptions about the future affect the company's recognised cost. The Group's net obligation is calculated separately for each plan by estimating the future remuneration the employees have earned through their employment both in current and previous periods; this remuneration is discounted to a present value. The liability recognized in the balance sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period less the fair value of plan assets. The defined-benefit obligation is calculated annually by independent actuaries using the so-called projected unit credit method.

The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the same currency in which the benefits will be paid with terms comparable to the current pension obligation.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognized in other comprehensive income during the period in which they arise.

Costs for service in earlier periods are recognized directly in the income statement.

Termination benefits

Termination benefits are payable when a position has been terminated by the Group before the normal pension age or when an employee accepts voluntary redundancy in exchange for such benefits. The Group recognises severance pay when it is demonstrably obliged either to terminate employees as part of a detailed formal plan without any possibility of revocation, or by providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Provisions

A provision is recognised in the balance sheet when the company has a formal or constructive obligation as the consequence of an event that has occurred, and it is likely that an outflow of resources will be required to settle the obligation, and that a reliable estimate of the amount can be made. When the effect of the timing of the payment is important, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate which reflects current market assessments of the time-related value of money and, if applicable, the risks associated with the liability.

A provision for restructuring is recognised when a detailed, formal restructuring plan has been established, and the restructuring has either begun or been publicly announced.

A provision for onerous contracts is recognised when the expected benefits are lower than the unavoidable costs for fulfilling the obligations in accordance with the contract.

Income

Net sales turnover comprises income from sales of products and services. Income is recognised in the income statement when it becomes likely that the future economic benefits will accrue to the company and these benefits can be calculated in a reliable way. Income includes only the gross influx of economic benefits that the company receives or can receive for itself. Income arising from the sale of goods is recognised as income when the company has transferred the essential risks and benefits associated with ownership of the goods to the purchaser, and the company no longer exercises any real control over the goods sold. Income is recognised at the fair value of what has been received or will be received with deductions for discounts granted. Remuneration is in the form of cash and cash equivalents and income consists of the remuneration. Amounts levied on behalf of another party are not included in the company's income. Income recognition of service assignments takes place when the economic outcome of the service assignment can be reliably calculated and the economic benefits pass to the company.

Agreements are made with the Group's clients which include both the sale of goods, or the sale of tools, other customer-associated equipment and related services. When such an agreement with several elements exists, revenue is allocated to the parts based on the different parts' fair value. Fair value for each part is determined by the expected margin for the total transaction that is allocated to each part based on the estimated cost plus a reasonable margin based on experience from other similar businesses.

Other operating income is reported for other income in the business not attributable from business activities, such as capital gains from the sale of fixed assets and remuneration from insurance policies.

Dividends are recognised when the shareholders' right to receive payment is deemed secure.

Costs

The income statement is structured according to function. The functions are as follows:

- Cost of goods sold comprises costs for goods management and manufacturing costs including salary and material costs, services bought, costs of premises and depreciation and impairment of tangible fixed assets.
- Administrative expenses refer to costs for Boards of Directors, executive management and corporate functions in the Group.
- Selling expenses comprise costs for the Group's own sales organisation.
- Other operating income and costs, relate to secondary activities, exchange rate differences for items related to operations and capital gains on the sale of tangible fixed assets. On selling subsidiaries, associated companies or joint ventures, the Group earnings are also recognised here.

Reporting by segment

Operating segments are reported in a way that agrees with the internal reporting submitted to the highest executive decision maker. The highest executive decision maker is the role with responsibility for allocating resources and making assessments of the results of the segments. Two separate segments have been identified for the Group, Finnveden Metal Structures and Bulten, which is in agreement with internal reporting.

Financial income and expenses

Financial income and expenses comprise interest income from bank funds and receivables, interest expenses on borrowing, dividend income and exchange rate differences.

The interest component of financial lease payments is recognised in the income statement in accordance with the effective interest method, whereby interest is divided so that each accounting period is charged with an amount based on the liability recognised during the period in question. Issue expenses and similar direct transaction costs for raising loans are included in the acquisition cost of the borrowing and are expensed in accordance with the effective interest method. Preference shares, which must be redeemed at a certain point in time, are classified as liabilities. Dividends for these preference shares are reported in the income statement as an interest expense.

Taxes

Income tax consists of current tax and deferred tax. Income taxes are entered in the income statement except when the underlying transaction is recognised in other comprehensive income or directly in equity. In such cases the tax is recognised other comprehensive income or in equity.

Current tax is tax due for payment or receipt during the financial year in question. Adjustments to current tax related to earlier periods are also included in this item. Deferred tax is calculated in accordance with the balance sheet method, based on the temporary differences between the carrying amounts and the tax base of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be offset, and by applying the tax rates and tax regulations in effect or publicised on the balance sheet date in the countries where the parent company's subsidiaries and associated companies are active and generate taxable income. Deductible temporary differences are not taken into consideration with respect to consolidated goodwill nor, in normal cases, to differences attributable to participations in subsidiaries that are not expected to be taxed in the foreseeable future. Deferred tax liabilities are not reported if they occur due to a first reporting of goodwill. Neither is deferred tax reported if it arises due to a transaction that is attributable to the first reporting of an asset or liability that is not a business acquisition and which, at the time of the transaction, affects neither reported earnings or taxable earnings

Untaxed reserves including deferred tax liability are recognised in legal entities. In the consolidated financial statements, however, untaxed reserves are apportioned between deferred tax liability and equity. Deferred tax assets with respect to deductible temporary differences and loss carry-forwards are recognised only as far as it is likely that these items will lead to lower tax payments in the future.

Deferred tax assets and liabilities are offset in the balance sheet where there is a legal offset option for current tax receivables and liabilities and where deferred tax receivables and liabilities are attributable to taxes collected by the same tax authority.

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The recognised cash flow only covers transactions resulting in receipts or disbursements.

In addition to cash and bank balances, cash and cash equivalents also include short-term financial investments subject only to negligible risk of value fluctuation and which can be traded on an open market in known amounts, or have a remaining term of three months from the acquisition date.

Transactions with related parties

A negligible proportion of parent company purchases, which affect the operating profit, pertain to transactions with other companies within the Group. There are also some internal sales within the Group, between the Group's various segments. See Note 5 for further information. Other transactions with related parties during the year are shown in Note 6 (Employees, personnel costs and fees to the Board of Directors) and Note 39 (Transactions with related parties). Transactions with related parties have taken place on terms equal to those which apply for transactions on business terms.

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Financial assets and liabilities

Classification

The Group classifies its financial instruments into the following categories: financial assets at fair value through the income statement, loans and accounts receivable, and available-for-sale financial assets. The classification depends on the purpose of acquiring the instrument. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through the income statement

Financial assets that are measured at fair value through the income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near future. Derivatives are classified as held for trading unless they are designated hedges. Assets in this category are classified as current assets. At the end of 2013 and 2012 there were no assets with this classification.

Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Characteristically they arise when the Group provides money, goods or services directly to a customer without the intention of trading the resulting receivable. They are included under current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as fixed assets. Where appropriate, loans and accounts receivable are included under Accounts receivable, Other receivables and Other long-term receivables in the balance sheet. Cash and cash equivalents are also included in this category.

Accounts receivable that have been sold are removed from the balance sheet when contractual rights and principal risks and benefits associated with ownership of the financial asset are transferred to the buyer.

Available- for-sale financial instruments

Available-for-sale financial assets are non-derivative assets that have either been assigned to this category or do not fall within any of the other categories. They come under fixed assets if the management does not intend to sell the asset within 12 months of the balance sheet date. Other long-term holdings of securities are classified in this category.

Recognition and measurement

Purchases and sales of financial instruments are recognised on the trade date, i.e. the date on which the Group undertakes to buy or sell the asset. Financial instruments are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value through the income statement. Financial assets measured at fair value through the income statement are initially recognised at fair value, while the related transaction costs are recognised in the income statement. Financial instruments are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and rewards associated with ownership. Available-for-sale financial assets and financial assets at fair value through the income statement are recognised after the acquisition at fair value. Loans and accounts receivable are recognised after the time of acquisition at accrued cost using the effective interest method.

Gains and losses arising from changes in fair value with respect to the financial assets category are measured at fair value through the income statement and are included in the other net gains/losses item in the income statement. Changes in fair value of financial assets available-for-sale (securities) are reported in other comprehensive income.

When securities, that are classified as available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments of equity are carried to the income statement as gains and losses from financial instruments.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognised on a net basis in the balance sheet when there is a legal right to offset the carrying amounts and there is an intention to settle them on a net basis or to simultaneously realise the asset and settle the asset.

Impairment of financial assets

(a) Assets recognised at accrued cost

At the end of each reporting period, the Group assesses if there is objective proof of an impairment requirement for a financial asset or group of financial assets. A financial asset or group of financial assets is impaired and written down only if there is objective evidence of impairment as a result of one or more events that occurred after the asset has been recognised for the first time (a 'loss event') and that this event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The criteria used by the Group to determine whether there is objective evidence of impairment include:

- significant financial difficulty of the issuer or debtor,
- a breach of contract, such as default or delayed payments of interest or capital needs,
- Group grants, for economic or legal reasons related to the borrower's financial difficulties, a concession that the lender would not otherwise consider,
- it is probable that the borrower will enter bankruptcy or other financial reorganisation,

- termination of an active market for the asset because of financial difficulties, or
- observable data indicating that there is a measurable reduction in the estimated future cash flows from a portfolio of financial assets since these assets were recognised for the first time, although the decrease cannot yet be identified as relating to any of the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status for borrowers in the portfolio, or
  (ii) domestic or local economic conditions that have a bearing on non-payments in assets in the portfolio.

The Group first assesses whether there is objective evidence of impairment.

Impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is impaired and impairment charges are recognised in the consolidated income statement. As a practical solution, the Group can determine the impairment based on the instrument's fair value using an observable market price.

If the impairment decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment is recognised (such as an improvement in the debtor's creditworthiness), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets are classified as available-for-sale financial assets

At the end of each reporting period, the Group assesses if there is objective proof of an impairment requirement for a financial asset or group of financial assets. For debt instruments the Group uses the criteria set out in (a) above.

Derivative instruments and hedging activities

Derivatives are initially reported at fair value at the time when the derivative contract is entered into and they are thereafter re-assessed at fair value. The method for reporting gain or loss depends on whether the derivative has been identified as a hedge instrument.

If hedge reporting is applied, the effective component of the change in fair value of the derivative that has been identified as qualifying for cash flow hedging is reported in other comprehensive income. The gain or loss attributable to the ineffective component is reported immediately on the income statement in 'Other operating costs' or 'Other operating income'.

The Group tests the effectiveness of all identified cash flow hedges when the contract is signed. A hedge is considered to be effective when the estimated future cash flow's currency fluctuations and due dates are in accordance with the hedge instrument's. The hedge relationship is tested regularly up to the due date.

Accumulated amounts in equity are returned to the income statement in the periods where the hedged item affects earnings, for example when the forecast sale that has been hedged takes place. The gain or loss attributable to the ineffective component is reported immediately on the income statement in 'Other operating profit' or 'Other operating costs.

If the Group signs a derivative contract that is not identified as a hedge instrument, all changes in the fair value of the contract are reported immediately on the income statement in 'Other operating costs' or 'Other operating income'.

Fair value

In the event that fair value deviates from the book value, information about fair value is presented in the relevant note. On the closing dates in 2013 and 2012 there were no financial assets and liabilities reported at fair value, with the exception of derivative instruments, which are reported in note 23.

New standards and interpretations not yet applied by the Group

A number of new standards and interpretations will be effective for reporting periods beginning after 1 January 2013 and have not been applied in preparing these financial statements. The following standards will apply from the financial year beginning 1 January 2014.

- **IFRS 10 Consolidated Financial Statements**
  IFRS 10 "Consolidated Financial Statements" is based on existing principles as it identifies controlling influence as the decisive factor when determining if a business shall be consolidated. The standard provides further guidance for defining controlling influence when this is problematical. The standard is not expected to have any significant effect on the Group's financial statements.

- **IFRS 11 Joint Arrangements**
  IFRS 11 "Joint arrangements", focuses on the rights and obligations of the parties in a joint activity rather than the legal form of the arrangement. There are two types of joint arrangements: joint operations and joint ventures. Joint ventures are accounted for using the equity method, and the proportionate consolidation method is no longer permitted. The Group intends to apply the new standard for the financial year beginning 1 January 2014. Because application has a retrospective effect, the comparative figures for 2013 will be recalculated. A preliminary analysis indicates that the application of IFRS11 in 2013 would reduce consolidated net sales by approximately SEK -7 million and improve operating income by approximately SEK 0.5 million. The net profit is expected to be unchanged. The Group's balance sheet total would be reduced by approximately SEK -76 million, which would mean an increase in equity/assets ratio from 53% to about 55%. The change relates to the whole Bulten division segment.

- **IFRS 12 Disclosures of interests in other entities**
  IFRS 12 "Disclosures of interests in other entities" covers disclosure requirements concerning subsidiaries, joint arrangements, associated companies and non-consolidated structured entities. The standard is not expected to have any significant effect on the Group's financial statements.

None of the other IFRS or IFRIC interpretations not yet in force are expected to have a significant impact on the Group.

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NOTE 3 RISKS AND RISK MANAGEMENT

Financial risks

In its operations, FinnvedenBulten is exposed to various financial risks. Examples of these are currency, liquidity, interest rate, credit, capital, financing, pricing and market risks. It is the Board that sets policies for risk management. Financial activities in the form of risk management, liquidity management and borrowing are managed for the whole Group by the parent company. The Group's overall risk management focuses on the unpredictability of the financial markets, and strives to minimise potential unfavourable effects on the Group's finances.

Currency risk

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily for EUR, PLN and GBP. Currency risks arise from future commercial transactions, flow exposures in the form of deposits and payments in different currencies, recognised assets and liabilities, the translation of foreign subsidiary income and net investments in foreign operations.

Changes in currency exchange rates can also affect the Group's own or its customers' competitiveness and, indirectly, Group sales and earnings. The Group is exposed to changes in multiple currencies, where the change in EUR has the greatest impact on Group earnings.

The Group's policy for handling currency risks focuses on transaction-related currency risks. Currency risks are primarily handled by trying to change the operative conditions in the business by matching income and expenses in other currencies than SEK. Hedging may however be used in special circumstances. Currency flows shall only be hedged that fulfil criteria for hedge reporting in accordance with IAS 39. Application of hedge reporting is however determined in each individual case when the hedge is established.

If the Swedish krona had weakened by 10% against the EUR with all other variables constant, the impovement of gross profit would be around SEK 54 (49) million. A 10% change in the exchange rate for PLN would have impaired gross profits by SEK 28 (23) million. A 10% change in GBP would have had an SEK 7 (0) million effect. Given current exposure the net effect would have been +SEK 19 (26) million if SEK had weakend in value by 10% against EUR, PLN and GBP. The corresponding effect on equity would have been SEK 49 (50) million.

Group currency flows were distributed as follows during the financial year:

	2013			2012		
Currency*	**Income**	**Costs**	**Operating p/l**	**Income**	**Costs**	**Operating p/l**
SEK	1,202	-1,329	-127	1,155	-1,326	-171
EUR	1,644	-1,106	538	1,632	-1,140	492
PLN	40	-323	-283	43	-272	-229
GBP	59	-126	-67	68	-69	-1
Other currencies	116	-72	44	65	-53	12
Total	3,061	-2,956	105	2,963	-2,860	103

* Expressed in SEK million.

The Group has holdings in foreign businesses whose net assets are exposed to currency changes. Currency exposure that results from assets in the Group's foreign activities is primarily handled through loans in the relevant foreign currencies.

Liquidity risk

The liquidity risk is the risk that the company cannot make its payments due to insufficient liquid assets and/or difficulty in securing loans from external lenders. Liquidity risk is managed by the Group holding sufficient cash and cash equivalents and short-term investments with a liquid market and having financing available through the agreed credit facilities. Management closely monitors rolling forecasts for the Group's liquidity reserve composed of unused credit lines and cash and cash equivalents based on the expected cash flows. This occurs at three levels in the Group; at a local level in the Group's operating companies, at a division level and at Group level.

The Group is primarily financed through bank financing via a credit facility worth SEK 575 (575) million that runs to July 2016. Covenants associated with this credit facility are presented in more detail in note 33. All covenant conditions were met during the year. The Group transfers ongoing accounts receivable within the framework of a block purchase agreement. The agreement means that the buyer of accounts receivable assumes the principal credit risks associated with the receivable. The criteria whereby the accounts receivable shall not be reported on the balance sheet have been met. The Group is therefore dependent on the buyer's ongoing assessment of the credit rating of customers. At the end of 2013 transferred accounts receivable were SEK 132.6 (88.9) million. The total capacity of the agreement covering purchases of accounts receivables is SEK 171 (169) million.

At the end of 2013, the available liquidity reserve for the Group was SEK 465.8 (382.0) million, which corresponds to 15.2% (12.9) of net sales. The Group's policy stipulates that the available resources, namely cash and cash equivalents and available credit, must exceed 5% of net sales, and that the funds available at any time exceed SEK 100 million. Temporary over-liquidity shall be placed in investments with short maturities and minimal credit risk, e.g. in bank accounts or short bonds issued by Swedish banks or the Swedish state.

The table below analyses the Group's financial liabilities broken down according to the time remaining until the contractual maturity date at the closing day (including any interest payments where established). The amounts indicated in the table are the contractual, undiscounted cash flows.

As of 31 December 2013 (Including interest payments)	**Less than 1 year**	**1-5 years**	**More than 5 years**
Bank loans and overdrafts	37.8	221.9	–
Accounts payable and other liabilities	681.3	–	–
Liabilities for financial leases	8.8	37.3	–
Total	727.9	259.2	–

As of 31 December 2012 (Including interest payments)	**Less than 1 year**	**1-5 years**	**More than 5 years**
Bank loans and overdrafts	21.9	287.5	–
Accounts payable and other liabilities	516.6	–	–
Liabilities for financial leases	82.4	257.8	216.4
Total	620.9	545.3	216.4

Interest rate risk

The Group's interest rate risk arises from short and long-term borrowing. Borrowing made at variable interest rates exposes the Group to a cash flow interest rate risk, which is partly neutralized by having cash and cash equivalents with variable interest. Borrowing made at fixed rates exposes the Group to an interest rate risk relating to fair value.

The Group's policy to manage the interest rate risk reflects the rate of change in the Group's financing. In recent years this has meant a short lock-in period. The financial policy sets the fixed term of interest rates for external loans at an average of six months, with the right to deviate +/– 3 months if the market assessment changes. The average fixed-rate term at the end of both 2013 and 2013 for external loans was around six months.

The Group had, at the end of the financial year, no financial contracts for changing the interest rate risk in relation to what the existing loan agreement regulates. In 2013 and 2012 Group borrowing with variable interest was in SEK, EUR, GBP and PLN. If the interest rates on borrowing in Swedish kronor in 2013 were 1% higher/lower with all other variables constant, after-tax earnings for the financial year would have been SEK 3.0 (2.8) million lower/higher.

Credit risk

Credit risk is managed at a Group level. Credit risks arise from cash and cash equivalents and balances with banks and financial institutions and credit exposures, including outstanding receivables and agreed transactions.

Individual assessments of customer's creditworthiness and credit risk are made where the customer's financial position is taken into account, along with past experience and other factors. Management does not expect any losses due to default by counterparties in addition to what has been reserved as doubtful receivables, see Note 24.

Capital risk

The Group's objective with regard to the capital structure is to secure the Group's ability to continue trading, so that it can generate returns to shareholders and benefits for other interested parties and to maintain an optimal capital structure in order to keep down the cost of capital.

To maintain or adjust the capital structure the Group can choose to change the dividend paid to shareholders, pay back capital to shareholders, issue new shares or sell assets to reduce debts.

The management team continually monitors requirements for refinancing of external loans with the objective of renegotiating credit facilities at the latest 12 months before the due date. In 2011 the company signed a new financing agreement that runs to July 2016. The maturity structure for existing loans is shown in Note 33.

One of the Group's financial targets is to achieve a return on average capital employed (equity and interest-bearing net liabilities) above 15%. For 2013, average capital employed was SEK 1,363.3 (1,315.6) million. Return, defined as earnings after financial items plus financial costs, on average capital employed was 7.8% in 2013 and 8.2% in 2012.

The consolidated equity/assets ratio was 53.0 (55.8)%.

Equity/assets ratio the Group	2013	2012
Equity	1,103.5	1,030.6
Balance sheet total	2,080,3	1,850,0
Equity/assets ratio	53.0%	55.8%

The net debt/equity ratio at 31 December 2013 and 2012 was as follows:

Debt/equity ratio the Group	2013	2012
Total borrowings	271.0	280.1
Provisions for pensions	20.9	20.6
Minus interest-bearing assets	-2.7	-2.8
Minus cash and cash equivalents	-104.0	-51.8
Net debt	185.2	246.1
Total equity	1,103.5	1,030.6
Net debt/equity ratio	0.2	0.2

The net debt/equity ratio is calculated as net debt divided by equity including minority interests. Net debt is calculated as total interest-bearing liabilities (including short-term borrowing and long-term borrowing, and interest-bearing pension liabilities in the consolidated balance sheet) minus cash and cash equivalents and interest-bearing assets.

Average interest on borrowing liabilities excluding shareholder loan and preference shares amounted to 4.8% (4.9%).

Operational risks

Market risk

FinnvedenBulten operates mainly in markets for commercial vehicles and passenger cars. Demand for the Group's products is dependent on transport demands, which in turn is driven by global trade and economic growth around the world. The Group's sales are diversified and spread over a number of customers, platforms, models and factory plants which usually dampens the effects of individual changes to demand. However, a marked decline in the production of some models may have a significant negative impact on individual production units.

The use of production forecasts and close relationships with customers means that the Group is well informed about the customers' production schedules.

Price reduction

Price pressure from customers is a natural part of the activities of suppliers in the automotive industry. The degree of price pressure varies from year to year and for the different products. In response to price reductions, the Group is working continuously on improvements to reduce costs and to offer customers added value through new products and services.

Competition

FinnvedenBulten operates as a supplier in the automotive industry which is a large but highly competitive market. The industry is characterised by overcapacity and high demands from customers for quality, reliable delivery, technology and overall customer service. The Group's long-term success is therefore dependent on a favourable market positioning, a good competitive position and high operating efficiency in all parts of the Group.

Raw materials and commodity prices

The Group is dependent on a number of raw materials and intermediate goods. Exposure is greatest in the different grades of steel, magnesium and aluminium. The price of raw materials is adjusted periodically to reflect current market levels based on price developments over the period. Changes in prices of raw materials could

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significantly affect the Group's earnings. The Group's strategy is to offset these risks by an active and professional purchasing process, with consolidation and standardisation of the volumes purchased and long-term relationships with suppliers through price compensation from the customers.

Product liability, warranty and recall

The Group is exposed to product liability and warranty claims in cases where our products cause injury to any person or damage to property. FinnvedenBulten is insured against damages applicable to product liability. No substantive claims concerning product liability have been made over the past decade. If a product is defective, the Group may have to participate in a recall. FinnvedenBulten has historically not been affected by any major recalls. FinnvedenBulten minimises risks related to product liability, warranty insurance and damages through extensive testing in the design and development phase as well as in production by continuously implementing quality management and control measures.

Suspension of operations and property damage

Damage to production equipment, as a result of factors such as fire, may have a negative impact, both in direct property damage and in business interruption, which makes it harder to fulfil the Group's obligations to the Group's customers. This in turn could encourage customers to use other suppliers. The effect of such damage to production equipment can be characterised as high as the production equipment is very much associated with the customer's assembly with just-in-time deliveries. Continuous efforts are being made to improve the Group's forward planning and preventative security measures. The Group also has full insurance cover against business interruption such as property damage.

Legal risks

FinnvedenBulten's business is conducted in several jurisdictions and is subject to local rules and laws that are applicable in each jurisdiction as well as general international laws.

Changes in rules, customs regulations and other trade barriers, pricing and currency controls and other public guidelines in countries where FinnvedenBulten is active may affect the Group's business.

The Group is exposed to legal risks when the activity is influenced by a large number of commercial and financial agreements with customers, suppliers, employees and other parties, as well as licenses, patents and other intellectual property rights. This is normal for a business such as the Group's. Legal risks are managed as and when they arise, and at present there are no ongoing processes of any substantial nature.

FinnvedenBulten establishes itself on markets and in new countries where the Group was not previously active. New start-ups, especially in growth countries, may involve unforeseen costs, due to delays in receiving business-related permits, for example.

Activities in developing countries

Corruption is more prevalent in some of the countries the Group operates in than is the case in, for example, Sweden. FinnvedenBulten's Code of Conduct together with the Group's system of internal controls for financial reporting, as outlined in the Corporate Governance Report on pages 74-79, provide the basis for an ethical approach and correct financial reporting. In some developing countries, there is also an increased risk of decisions made by both central and local authority on political grounds that might cause some unpredictability in the business. Through collaboration with community-based enterprises, the political risk is somewhat limited.

Environmental risks

In several jurisdictions, FinnvedenBulten's business is subject to reporting and permit requirements. All of the Group's production plants are either required to apply for a permit or are regulated by the environmental laws of the country in which they operate. FinnvedenBulten's assessment is that all units have received the permits and agreements that are required, and that they fulfil given safety, reporting and control requirements.

Insurance

FinnvedenBulten insures its assets against property damage and losses due to stoppages. There is also insurance cover for liability damages. In certain cases the Group has taken out insurance for any environmental liabilities that may arise in connection with divestments.

Sensitivity analysis

Significant factors that affect Group earnings are presented below. The analysis is based on year-end values and the assumptions that all other factors remain unchanged.

- Price fluctuations are the variable with the largest impact on earnings. A change of +/–1% in prices to customers affects earnings by approximately SEK 31 (30) million.
- Development of raw material prices affects FinnvedenBulten's earnings. A change of 1% to raw material prices, affects earnings by about SEK 16 (16) million, however FinnvedenBulten, and other actors in this sector, can pass higher raw material costs onto its customers to compensate.
- Payroll costs comprise a major share of Group expenses. An increase of 1% affects earnings by approximately SEK 7 (7) million.
- A one percentage point change in interest rates on the closing net debt which is attributable to variable interest rates affects earnings by about SEK 2 (2) million. None of the net debt of SEK 185.2 (246.1) million has fixed rates of interest.
- For a description of FinnvedenBulten's exposure against changes in currencies, see page 46.

NOTE 4 IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Estimates and assessments are evaluated continuously and based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes which result from these, by definition, will rarely equate to the actual result. The estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year are shown below.

Assumptions are also necessary in calculating the present value of defined-benefit pensions. Note 30 describes the assumptions made. Same note also presents the results of the actuarial calculations which lead to the carrying amount entered in the balance sheet.

Note 2, Summary of significant accounting policies and disclosures, includes a description of how tax is recognised in the Group, which describes how the temporary differences in the form of tax losses are to be recognised. In this context it is important that management considers whether the business will recognise the excess close in time for the claim balance to be approved. In countries where management believes that the Group can benefit from future lower tax receipts in the near future resulting from existing fiscal deficits, the receipts are recognised as deferred tax assets.

As of 31 December 2013, the management's assessment was that it is probable that a fiscal surplus will occur for the Group's Swedish activities. This assessment is based on a fiscal surplus being reported in 2013 and, based on existing business plans, this is expected to continue in coming years. As of 31 December 2013, the Group is reporting a deferred tax asset attributable to deficit deductions and other temporary fiscal differences amounting to SEK 125.6 (103.0) million, of which SEK 121.8 (97.7) million is attributable to Sweden.

The plans for the future that form the basis for the management's position regarding tax assets, also constitute a basis for the impairment test of goodwill that is conducted at least once a year. When reviewing the value of goodwill, SEK 196.3 (181.4) million, at 31 December 2013 and 2012, no impairment requirement was identified. Note 17 presents the assumptions made in connection with the impairment test on goodwill.

In connection with the Group having substantive leases, an assessment must be made as to whether the agreement is of a financial or operational nature. An assessment of whether the agreement should be classified as operational or financial is made in connection to the signing of the agreement and includes an analysis of key parameters such as discount rate, probability assessments of alternative future decisions and the asset's market value. Different assessments regarding these parameters may lead to different conclusions regarding the classification of the agreement.

The Group regularly transfers a share of outstanding accounts receivable to a third party. The divestments are based on framework agreements and conditions that have been assessed as a whole mean that the risks and benefits associated with the accounts receivable for the most part are transferred to the buyer. As of 31 December 2013, the value of transferred accounts receivable was SEK 132.6 (88.9) million.

The Group is exposed to legal risks when the business is impacted by a large number of commercial and financial agreements with customers, suppliers, employees and other parties. This is normal for a business such as the Group's. Management assesses the expected outcome of compensation claims made against the Group on an ongoing basis. At the balance sheet date there were a few compensation claims against the Group, and management believes that it is unlikely that these will mean a substantial impact on the consolidated earnings and financial position. No provision is recognised at balance sheet date for these compensation claims.

NOTE 5 INFORMATION ON BUSINESS SEGMENTS (DIVISIONS) AND GEOGRAPHICAL MARKETS

Identification of operating segments

The Group's two divisions, Bulten and Finnveden Metal Structures, constitute the Group's operating segments for reporting purposes. This concerns the information reported to the highest executive decision maker and the Board of Directors. Division into these segments is based on the product range offered by the divisions to various customer segments. Bulten develops and manufactures fasteners for the automotive industry. Finnveden Metal Structures develops and manufactures optimised interior and exterior structures in steel and magnesium, previously also in aluminium, and in multi-materials for applications in cars and trucks.

Customers

The Group's structures are almost exclusively based in the automotive industry.

Key customers

The Group has three external customers, each of which generate revenues greater than 10% of total Group sales. Sales to these customers amounted to SEK 824 (859) million, SEK 746 (682) million and SEK 456 (420) million, which together constitute 66.2% (66.2) of sales. Customer agreements cover a wide range of products with various periods of validity and parties. Revenues are distributed between both divisions.

Reporting of operating segments

Internal pricing for the Group's various segments is based on the arm's length principle, i.e. between parties that are independent of each other, well informed and with an interest in the transactions. The accounting principles for operating segments are to all extents and purposes the same as those applied by the Group.

A) Information on the Group's operating segments

	Bulten		Finnveden Metal Structures		Other/Eliminations[1]		Total	
GROUP	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Income								
External sales	1,808.2	1,706.3	1,252.8	1,257.2	–	–	3,061.0	2,963.5
Internal sales	3.2	4.2	3.7	4.2	-6.9	-8.4	–	–
Total income	1,811.4	1,710.5	1,256.5	1,261.4	-6.9	-8.4	3,061.0	2,963.5
Operating profit/loss[2]	112.4	81.5	-3.1	30.1	-4.0	-8.3	105.3	103.3
Financial items	–	–	–	–	–	–	-17.4	-10.8
Profit/loss after financial items	–	–	–	–	–	–	87.9	92.5
Taxes	–	–	–	–	–	–	0.3	-49.0
Profit/loss for the year	–	–	–	–	–	–	88.2	43.5
Assets	1,501.5	1,329.4	682.0	630.3	-103.2	-109.7	2,080.3	1,850.0
Liabilities	663.3	587.6	428.5	367.9	-114.9	-136.1	976.9	819.4
Other disclosures								
Investments	66.5	64.0	51.2	47.8	–	0.9	117.7	112.7
Depreciation	42.9	41.7	30.8	34.7	0.1	0.1	73.8	76.5
Impairment	–	–	15.0	–	–	–	15.0	–

1) 'Other' includes parent company and Group eliminations.
2) Finnveden Metal Structures. For the January-December 2013 period costs of SEK 38.8 million are included relating to the restructuring programme.

B) Information on the Group's geographic markets

Most of the Group's income is generated in northern Europe. The following table presents the Group's fixed assets and its income from external customers divided among geographic markets. Income is based on the geographic location of subsidiaries. Fixed assets are also based on their geographic location.

	Sweden		Germany		UK		Poland		Other countries		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
External sales	1,740.6	1,821.1	402.0	383.1	492.5	458.6	339.7	264.5	86.2	36.2	3,061.0	2,963.5
Fixed assets	186.1	206.0	31.1	29.3	6.5	1.7	176.6	160.5	44.6	7.3	444.9	404.8

NOTE 6 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD

AVERAGE NUMBER OF EMPLOYEES

			Of whom men, %	
	2013	2012	2013	2012
Parent company	8	7	38	43
Subsidiaries				
Sweden	815	831	76	75
Germany	158	158	78	79
Poland	740	718	75	74
UK	65	46	66	67
China	51	50	55	56
Total subsidiaries	1,829	1,803	75	74
Group total	1,837	1,810	75	74

GENDER DISTRIBUTION OF EXECUTIVE MANAGEMENT

	Women, %	
	2013	2012
Board *)	11	22
Executive management	33	33

*) Inklusive suppleanter

WAGES/SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

	Wages and remuneration		Social security costs	
	2013	2012	2013	2012
Parent company	11.6	9.7	6.1	5.4
(of which pension costs)	–	–	2.6	2.6
Subsidiaries	485.4	468.5	162.5	166.3
(of which pension costs)	–	–	39.1	41.8
Group total	497.0	478.2	168.6	171.7
(of which pension costs)	–	–	41.7	44.4

WAGES/SALARIES, OTHER REMUNERATION BY COUNTRY AND BETWEEN MANAGEMENT PERSONNEL AND OTHER

	Management staff 1)		Other staff	
	2013	2012	2013	2012
Parent company in Sweden	5.8	4.5	5.8	5.2
(of which bonus and similar)	1.0	–	1.0	–
Subsidiaries in Sweden	6.2	5.3	293.8	295.6
(of which bonus and similar)	1.3	–	2.1	0.5
Subsidiaries abroad				
Eu countries	5.6	4.7	174.6	158.0
(of which bonus and similar)	1.0	–	1.0	0.7
Other countries	1.0	1.2	4.2	3.9
(of which bonus and similar)	–	–	–	–
Group total	18.6	15.7	478.4	462.6
(of which bonus and similar)	3.2	–	4.1	1.2

Pension costs for the Board and President are SEK 3.7 (3.5) million in the Group.

1) Includes current and former Board members and their deputies, and current and former President and deputy President and directors of the parent company and its subsidiaries.

The Chairman of the Board and Board Members receive fees approved by the Annual General Meeting. The Annual General Meeting approved remuneration to the Board totalling SEK 2.1 (1.9) million, which was distributed in accordance with the Board's decision. The Chairman of the Board received remuneration of SEK 0.6 (0.6) million. No Board fees are paid to employee representatives. Remuneration to the President and other senior executives consists of base salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the executive management. For the President and the other senior executives remuneration is proposed by the remuneration committee and adopted by the Board. For the President, the variable remuneration is a maximum of 60% of base salary, and for other senior executives 40%. The variable remuneration is based on the results achieved in relation to their set objectives. The President was paid a base salary of SEK 2.4 (2.4) million in remuneration for the year. Other senior executives during the year received base salary of SEK 3.5 (3.4) million.

For 2013, the President earned a variable remuneration of SEK 1.0 (-) million. Other senior executives earned a variable remuneration of SEK 1.5 (-) million.

The pension age for the President is 65 years. Pension costs are premium-based and are equal to 35% of base salary. For other senior executives the retirement age is 65 years and the commitment is also premium-based for them. There is a mutual period of termination notice of six months between the company and the President. Compensation in lieu of notice is set off against other income during this period. In the event of termination of employment initiated by the company, severance pay is 12 monthly salaries. Other income is not deducted from severance pay. There is a mutual period of termination notice of six months between the company and other senior executives. Compensation in lieu of notice is set off against other income during this period. In the event of termination of employment initiated by the company, severance pay is 12 monthly salaries. Settlement is not made in relation to other income.

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REMUNERATION TO SENIOR EXECUTIVES	2013				2012			
	Board fee [1]/ Basic salary	Variable remu-neration	Other benefits	Pension	Board fee [1]/ Basic salary	Variable remu-neration	Other benefits	Pension
Group								
Board								
Roger Holtback	0.6	–	–	–	0.6	–	–	–
Johan Lundsgård	0.4	–	–	–	0.3	–	–	–
Ulf Rosberg (up to 2012-04-26)	–	–	–	–	0.1	–	–	–
Hans Gustavsson	0.4	–	–	–	0.4	–	–	–
Hans Peter Havdal (from 2013-04-26)	0.3	–	–	–	–	–	–	–
Arne Karlsson	0.4	–	–	–	0.4	–	–	–
Adam Samuelsson	0.4	–	–	–	0.4	–	–	–
CEO								
Johan Westman	2.4	1.0	0.1	0.9	2.4	–	0.1	0.9
Two other senior executives	3.5	1.5	0.2	1.4	3.4	–	0.2	1.2

1) Relates to board and audit committee fees.

NOTE 7 FEES AND REIMBURSEMENT TO AUDITORS

	2013	2012
PricewaterhouseCoopers		
Audit	3.5	3.5
Other auditing assignments	0.5	0.6
Tax advice	2.1	2.3
Other services	0.9	1.5
Total	7.0	7.9

'Audit' refers to the examination of financial statements and accounting records and the President's administration, other tasks that might be incumbent on the company's auditors, and advice and other assistance as a result of observations during the audit or the implementation of the other duties referred to. 'Other auditing assignments' mainly comprises a general survey of interim reports. 'Tax advice' includes advice on income tax, including internal pricing issues, and VAT. 'Other services' refer to services not relating to the above categories, e.g. advice in connection with the listing process.

NOTE 8 OTHER OPERATING INCOME

	2013	2012
Repayment of pension premium, FORA	–	3.5
Currency gain on derivative instruments – cash flow model	2.6	8.7
Profit from sale of fixed asset	2.5	0.4
Other operating income	7.3	11.6
Total other operating income	12.4	24.2

NOTE 9 OTHER OPERATING EXPENSES

	2013	2012
Exchange losses on receivables/liabilities relating to operations	-6.4	-7.9
Loss from sale of fixed asset	-0.3	-0.4
Restructuring costs	-13.4	–
Other operating expenses	-1.9	-1.0
Impairment of fixed assets	-15.0	–
Total other operating expenses	-37.0	-9.3

NOTE 10 DEPRECIATION AND IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

	2013	2012
Depreciation according to plan by class of asset		
Intangible assets	-0.2	-0.4
Buildings	-1.7	-1.7
Plant and machinery	-61.3	-62.8
Equipment. tools. fixtures and fittings	-10.6	-11.6
Total depreciation	-73.8	-76.5
Impairment of fixed assets	-15.0	–
Total depreciation and impairment	-88.8	-76.5
Depreciation according to plan by function		
Cost of goods sold	-70.1	-73.2
Selling expenses	-1.6	-1.5
Administrative expenses	-2.1	-1.8
Total depreciation	-73.8	-76.5

Assets are primarily machinery and other equipment. Impairment is reported in the item 'Other operating costs'.

NOTE 11 LEASING FEES RELATING TO OPERATING LEASES

	2013	2012
Assets held via operating leases		
Minimum lease fees	84.9	83.2
Variable lease fees paid	–	–
Income from hired-out leases	-0.2	-0.2
Total lease fees for the year	84.7	83.0

Contractual future minimum lease fees with respect to irrevocable contracts due for payment:		
Within 1 year	83.3	82.4
1-5 years	263.6	257.8
Later than 5 years	164.1	216.4

Operating leases mostly comprise rental agreements for industrial premises in Sweden, Germany and Poland, and to a lesser extent vehicles and machinery. The rental agreements for industrial premises cover a remaining rental period of approximately 10 years, with a right to extend the agreement for 5 years with unchanged conditions.

NOTE 12 FINANCIAL INCOME

	2013	2012
Interest income	0.3	0.2
Exchange rate differences on loan	–	4.8
Other	0.2	–
Total	0.5	5.0

NOT 13 FINANCIAL EXPENSES

	2013	2012
Interest expenses	-14.1	-13.9
Exchange rate differences on loan	-0.8	–
Other	-3.0	-1.9
Total	-17.9	-15.8

NOTE 14 EXCHANGE RATE DIFFERENCES AFFECTING EARNINGS

	2013	2012
Exchange rate differences affecting operating profit/loss	-3.8	0.8
Exchange rate differences on financial items	-0.8	4.8
Total	-4.6	5.6

NOTE 15 TAX ON INCOME FOR THE YEAR

	2013	2012
Current tax		
Current tax for the year	-20.4	-19.4
Current tax from previous year	-0.3	-0.6
Total current tax	-20.7	-20.0
Deferred tax expense (-)/tax income (+)		
Change in deferred tax	21.0	-29.0
Total deferred tax	21.0	-29.0
Total taxes	0.3	-49.0

Reconciliation of effective tax, amount	**2013**	**2012**
Earnings before tax	87.9	92.5
Tax according to applicable tax rate for parent company 22.0% (26.3)	-19.3	-24.3
Effect of other tax rates for foreign subsidiaries	-3.2	0.5
Non-taxable income	0.2	0.2
Non-deductible expenses	-4.5	-1.3
Deferred tax for previous years' non-reported other temporary differences	0.1	–
Tax losses for which no deferred tax is recognized	-0.5	-4.4
Deferred tax on additional tax loss carry-forwards by Administrative Court of Appeal	27.1	–
Utilisation of tax losses previously not recognized	0.8	–
Revaluation effect for the change in Swedish tax rate	–	-19.1
Revaluation effect for the change in foreign tax rate	-0.1	–
Adjustment of previous years' tax	-0.3	-0.6
Tax on income for the year according to income statement	0.3	-49.0

1) See note 31 for further details.

Income tax relating to components of other comprehensive income amounts to SEK - (0.4) million and relate to revaluation of pension plans of SEK -0.2 (-0.2) million and cash flow hedges of SEK 0.2 (0.5) million.

NOTE 16 EARNINGS PER SHARE

Earnings per share	**2013**	**2012**
Profit/loss for the year attributable to shareholders of FinnvedenBulten AB (publ)	88.3	43.5
Average no. of shares before dilution	21,040,207	21,040,207
Earnings per share, SEK	4.19	2.07
Average no. of shares after dilution	21,040,207	21,040,207
Earnings per share after dilution, SEK	4.19	2.07

Earnings per share before dilution are calculated by dividing the profit/loss attributable for the period to parent company shareholders by the parent company's weighted average number of shares outstanding for the financial year. Earnings per share after dilution are calculated by dividing the profit/loss attributable for the period to parent company shareholders by the parent company's average number of shares outstanding after dilution.

NOT 17 TANGIBLE AND INTANGIBLE FIXED ASSETS

	31-12-2013					31-12-2012				
	Goodwill	Other intangible assets[1]	Land and buildings	Plant and machinery[2]	Equipment, tools, fixtures and fittings[2]	Goodwill	Other intangible assets[1]	Land and buildings	Plant and machinery[2]	Equipment, tools, fixtures and fittings[2]
Accumulated cost										
At start of the year	301.4	15.6	29.9	760.1	106.4	301.5	3.2	26.0	697.8	100.2
Acquisitions for the year	14.9	6.6	4.5	42.7	4.2	–	12.5	0.2	2.8	8.0
Reclassification during the year	–	0.4	2.8	34.9	4.1	–	0.1	2.8	59.0	10.2
Divestments and disposals	–	–	–	-24.3	-9.2	–	–	–	-6.5	-11.6
Exchange rate differences for the year	–	–	0.6	13.2	4.4	-0.1	-0.2	0.9	7.0	-0.4
At year end	316.3	22.6	37.8	826.6	109.9	301.4	15.6	29.9	760.1	106.4
Accumulated depreciation according to plan										
At start of year	–	-2.7	-6.5	-427.1	-58.8	–	-2.4	-4.6	-366.6	-58.5
Reclassification during the year	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	–	–	–	23.7	9.1	–	–	–	–	11.0
Depreciation according to plan	–	-0.2	-1.7	-61.3	-10.6	–	-0.4	-1.7	-62.7	-11.6
Exchange rate differences for the year	–	-0.1	-0.3	-10.5	-5.3	–	0.1	-0.2	2.2	-0.4
At year end	–	-3.0	-8.5	-475.2	-65.6	–	-2.7	-6.5	-427.1	-58.8
Accumulated impairment										
At start of year	-120.0	–	–	-44.0	–	-120.0	–	–	-44.0	–
Impairment for the year	–	–	–	-14.4	-0.6	–	–	–	–	–
At year end	-120.0	–	–	-58.4	-0.6	-120.0	–	–	-44.0	–
Carrying amount at start of period	181.4	12.8	23.4	289.0	47.6	181.5	0.8	21.4	287.2	41.7
Carrying amount at end of period	196.3	19.6	29.3	293.0	43.7	181.4	12.8	23.4	289.0	47.6

[1] Relates primarily to expenses for licencses and development of IT systems.
[2] Includes assets in financial leases, see note 19.

Impairment test for goodwill

Consolidated goodwill amounted to SEK 196.3 (181.4) million, fully attributable to the Bulten division. The increase in 2013 is attributable to an investment in collaboration with GAZ. For further details see note 42.

FinnvedenBulten carries out an impairment test each year to determine any impairment requirement for goodwill. The recoverable amounts for cash generating units have been established by calculating the value in use. Calculations are based on estimated future cash flows from financial plans approved by management, and covering a period of three years.

Significant assumptions in financial planning include turnover growth, productivity developments and operating margins. These assumptions are based on published statistics for the automotive industry's development, customers' model strategy and their long-term delivery plans as well as the assessment of management about the development of Group margins.

Cash flows beyond the three-year period are extrapolated using an estimated growth rate resulting from the assumption of inflation at 2.0% (2.0). The forecast cash flow has been calculated at present value using a discount rate of 8.1% (8.2) before tax.

In both 2013 and 2012 the estimated recoverable amount for Bulten has exceeded the book value, which is why no impairment requirement has been identified.

Alternative calculations were made by changing the assumptions concerning the discount interest rate and sustainable operating margin. A change in these individual assumptions of two percentage points would not result in any impairment requirement for goodwill related to Bulten.

Impairment of tangible assets

As part of the Finnveden Metal Structures division's refinement of the foundry business, a decision was taken in 2013 to move magnesium casting from Sweden to Poland, and prepare for a possible sale of the remaining aluminium casting activity in Sweden. In connection with this, management established the recoverable value of the machinery related to aluminium casting based on the estimated fair value less selling costs. The test resulted in an impairment loss of SEK 15 million, which was charged to income for the year 2013.

NOTE 18 CONSTRUCTION IN PROGRESS AND ADVANCED PAYMENTS FOR TANGIBLE ASSETS

	31-12-2013	31-12-2012
At start of year	44.8	27.4
Acquisitions during the year	116.2	89.2
Minus divestments	-40.2	–
Reclassifications during the year	-42.2	-72.0
Year's currency differences	0.3	-0.2
Carrying amount at end of period	78.9	44.8

NOTE 19 FINANCIAL LEASES

	Acquisition values		Accumulated depreciation	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Plant and machinery	85.3	45.8	-30.9	-23.8
Equipment. tools. fixtures and fittings	2.3	2.0	-1.4	-0.5
Total financial leases	87.6	47.8	-32.3	-24.3

Future minimum lease fees have the following due dates:

	Nominal values		Present values	
	2013	2012	2013	2012
Within one year	9.0	8.3	8.4	8.0
1-5 years	18.2	4.7	13.8	4.1
Later than 5 years	23.7	–	21.2	–
Total future lease fees	50.9	13.0	43.4	12.1

The present value of future minimum lease fees is recognised as an interest-bearing liability. Group earnings do not include variable fees for financial leases. Financial leases refer to production equipment. During 2013, a press was acquired and disposed of within the framework of a sale and leaseback transaction. The transaction did not result in any gain or loss. The lease agreement contains terms that give FinnvedenBulten the right to acquire the press in seven years at a fixed residual value.

NOTE 20 OTHER LONG-TERM SECURITIES

	31-12-2013	31-12-2012
Accumulated acquisition value		
At start of year	0.4	0.4
Impairment during the year	-0.4	–
Acquisitions during the year	0.1	–
Carrying amount at end of year	0.1	0.4

NOTE 21 OTHER LONG-TERM RECEIVABLES

	2013-12-31	2012-12-31
Accumulated acquisition value		
At start of year	2.8	3.5
Amortisations, deductible receivables	-1.1	-0.7
Other additional receivables	21.4	–
Carrying amount at end of year	23.1	2.8

Future receivables in 2013 essentially relate to receivables from the Group's customers from the sale of equipment restricted to customer type. The amount of receivables that are expected to be settled after more than 12 months after the balance sheet date are classified as other long-term receivables. The portion expected to be settled within 12 months from the balance sheet date is classified as current assets.

NOTE 22 INVENTORIES

	31-12-2013	31-12-2012
Raw materials and consumables	92,7	98,4
Production in progress	186,4	184,5
Completed products and tradable goods	267,5	235,3
Total	546,6	518,2

The capitalised cost for inventories is included in the item 'Cost of sold goods'.

NOTE 23 DERIVATIVE INSTRUMENTS

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Short-term part				
Forward currency contracts, cash flow hedging	–	–	1.8	0.7
Total	–	–	1.8	0.7

The nominal amount for outstanding forward currency contracts amounted to SEK – (103.2) million as of 31 December 2013. Profit and loss on forward contracts as of 31 December 2012, which are reported in the hedge reserve under shareholders' equity (note 29), are reported in the income statements for the periods during which the hedged transactions affects the income statement.

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NOTE 24 ACCOUNTS RECEIVABLE

	31-12-2013	31-12-2012
Accounts receivable	529.0	464.4
Less provision for doubtful accounts receivable	-4.8	-3.4
Total	524.2	461.0

Accounts receivable are amounts collectible from customers from the sale of the Group's products and services. In the event that these are expected to be settled after more than 12 months from the balance sheet date they are classified as other long-term receivables, see Note 21.

Sale of accounts receivable

The Group regularly transfers a share of outstanding accounts receivable to a third party. The divestments are based on framework agreements and the conditions, that have been assessed as a whole, mean that the risks and benefits associated with the accounts receivable for the most part are transferred to the buyer, based on a review in accordance with IAS 39 - Financial instruments; Recognition and measurement. At 31 December 2013, the value of the transferred accounts receivable was SEK 132.6 (88.9) million.

At 31 December 2013, the accounts receivable were SEK 97.9 (101.7) million due without any impairment requirement considered necessary. These concern a number of independent customers who previously had no payment difficulties. The age analysis of these receivables is as follows:

	31-12-2013	31-12-2012
Less than 3 months	76.2	70.2
3-6 months	2.8	17.1
More than 6 months	18.9	14.4
Total	97.9	101.7

At 31 December 2013 the Group recognised accounts receivable where the impairment requirement was SEK -4.8 (-3.4) million, which corresponds to the reserve for doubtful accounts receivable. The age analysis of these is as follows:

	31-12-2013	31-12-2012
Less than 3 months	-1.6	-0.9
3-6 months	-0.7	-0.9
More than 6 months	-2.5	-1.6
Total	-4.8	-3.4

Carrying amounts as per the currency for the Group's accounts receivable are as follows:

	31-12-2013	31-12-2012
SEK	168.0	151.6
EUR	269.9	232.6
GBP	54.1	52.9
PLN	5.4	5.2
Other	26.8	19.1
Total	524.2	461.0

Change in reserve for doubtful accounts receivable is as follows:

	31-12-2013	31-12-2012
At start of the year	3.4	5.0
Provision for doubtful receivables	2.4	2.8
Receivables written off during the year that are non-recoverable	-0.5	-4.0
Reversal of unused amounts	-0.5	-0.4
At year-end	4.8	3.4

Provision for, or reversals of reserves for doubtful accounts receivable, is included in the Selling expenses in the income statement item.

Other categories of accounts receivable and other receivables, i.e. Prepaid expenses and accrued income and Other receivables do not include assets that require impairment. The same applies to the category of Other long-term receivables.

The maximum exposure to credit risk at the balance sheet date is the fair value of each category of receivable mentioned above. In all these categories of receivables, the true value substantially correspond to the book value.

Credit quality of financial assets

The credit quality of financial assets that are neither due nor requiring impairment have been assessed through external credit rating or, alternatively, through the party's payment record.

On the closing date, non-due or impaired accounts receivable amounted to SEK 431 (363) million, of which 96% refers to existing customers with whom the Group has had relations over many years. These customers normally pay on the agreed due date and the Group has a history of very low credit losses.

Outstanding cash and cash equivalents of SEK 104.0 (51.8) million are in their entirety placed at banks with the highest credit rating from the credit institution.

NOTE 25 PREPAID EXPENSES AND ACCRUED INCOME

	31-12-2013	31-12-2012
Prepaid rents	14.2	15.4
Prepaid licences	1.2	1.5
Other prepaid expenses	27.2	14.0
Accrued income	11.8	10.7
Carrying amount at year end	54.4	41.6

NOTE 26 LIQUID FUNDS

	31-12-2013	31-12-2012
Cash and bank accounts	104.0	51.8
Total	104.0	51.8

Liquid funds in the balance sheet and cash flow statement refer solely to cash and bank accounts.

NOTE 27 FINANCIAL INSTRUMENTS

The tables below show how financial instruments were distributed as of 31 December 2013 and 31 December 2012. For definitions of each category of financial instrument, see note 2.

As of 31 December 2013	Loan receivables and accounts receivable	Derivatives used for hedging	Financial assets available for sale	Total
Assets in balance sheet				
Other long-term securities	–	–	0.1	0.1
Other long-term receivables	23.1	–	–	23.1
Derivative instruments	–	–	–	–
Accounts receivable	524.2	–	–	524.2
Other receivables	36.4	–	–	36.4
Liquid funds	104.0	–	–	104.0
Total	**687.7**	**–**	**0.1**	**687.8**

As of 31 December 2013	Derivatives used for hedging	Financial assets available for sale	Total
Liabilities in balance sheet			
Other long-term interest-bearing liabilities	–	225.0	225.0
Other current interest-bearing liabilities	–	46.0	46.0
Accounts payable	–	475.8	475.8
Derivative instruments	–	–	–
Total	**–**	**746.8**	**746.8**

As of 31 December 2012	Loan receivables and accounts receivable	Derivatives used for hedging	Financial assets available for sale	Total
Assets in balance sheet				
Other long-term securities	–	–	0.4	0.4
Other long-term receivables	2.8	–	–	2.8
Derivative instruments	–	1.8	–	1.8
Accounts receivable	461.0	–	–	461.0
Other receivables	67.5	–	–	67.5
Liquid funds	51.8	–	–	51.8
Total	**583.1**	**1.8**	**0.4**	**585.3**

As of 31 December 2012	Derivatives used for hedging	Financial assets available for sale	Total
Liabilities in balance sheet			
Other long-term interest-bearing liabilities	–	249.6	249.6
Other current interest-bearing liabilities	–	30.5	30.5
Accounts payable	–	324.7	324.7
Derivative instruments	0.7	–	0.7
Total	**0.7**	**604.8**	**605.5**

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NOTE 28 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	Ordinary shares	Preference shares	Total no. of shares
Number of shares outstanding at 31 December 2010	11,037,000	963,000	12,000,000
Reclassification of preference shares at 3 March 2011	963,000	-963,000	–
Registered new share issue at 20 May 2011	7,197,430	–	7,197,430
Registered new share issue at 25 May 2011	1,842,777	–	1,842,777
Number of shares outstanding at 31 December 2012	21,040,207	–	21,040,207
Number of shares outstanding at 31 December 2013	21,040,207	–	21,040,207

The total number of ordinary shares at 31 December 2013 was 21,040,207. The quotient value of the share is SEK 0.50. All issued shares have been paid in full.

NOTE 29 OTHER RESERVES

	Hedging reserve		Translation difference		Total	
	2013	2012	2013	2012	2013	2012
Opening balance	0.9	2.1	-35.7	-33.3	-34.8	-31.2
Effect of change in accounting principles	–	–	–	-3.3	–	-3.3
Adjusted opening balance	0.9	2.1	-35.7	-36.6	-34.8	-34.5
Reassessment of defined-benefit pension plans, net after tax	–	–	0.8	0.3	0.8	0.3
Derivative cash flow hedging, net after tax	-0.9	-1.2	–	–	-0.9	-1.2
Exchange rate differences	–	–	11.9	0.6	11.9	0.6
Closing balance	–	0.9	-23.0	-35.7	-23.0	-34.8

Hedge reserve

The hedge reserve includes unrealized profit and loss for forward contracts, which are reported in the income statement in the periods when the hedged transactions affect the income statement.

Translation reserve

The translation reserve covers currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group's reporting currency. Also include revaluation effects from the conversion of defined benefit pension plans.

NOTE 30 PROVISIONS FOR PENSIONS

Remuneration to employees after completed employment is chiefly made through payments to insurance companies or authorities, which thereby assume the obligations in relation to the employees, known as defined contribution pensions. The largest defined benefit plans are in Sweden (FPG/PRI). For defined benefit plans the company's costs are calculated and the value of the outstanding obligation using actuarial calculations, which aim to determine the present value of the obligations issued. Interest is classified as a financial expense. Other cost items are distributed among operating profit/loss under cost of goods sold, selling expenses or administrative expenses depending on the employee's function. The Group also has pension commitments of SEK 36.4 (34.5) million secured through capital insurance, which means that any changes in pension obligations will be fully compensated through equivalent changes in value of the capital insurance. Both pension obligations and capital insurance are reported as line items.

Defined-benefit pension plans	31-12-2013	31-12-2012
FPG/PRI	16.6	18.5
Other retirement pensions in Swedish companies	1.1	–
Retirement pensions in foreign companies	4.7	3.6
Total	22.4	22.1

Pension obligations relating to defined benefit pension plans are valued based on the assumptions shown in the table below.

	Sweden	
Pension obligations	2013	2012
Discount rate	3.7	3.2
Inflation	1.5	1.5

There is no further vesting in the defined benefit system. Consequently, the Group's pension commitment is based on an unchanged rate of pay increase. From 2011, the discount rate is established based on the market rate on the closing date for housing bonds in Sweden, since these bonds are now considered as representing first-class corporate bonds with a functioning market.

Risk exposure and sensitivity analysis

The defined-benefit liabilities are determined using a discount rate based on corporate bonds with a duration corresponding to the average remaining term commitment (16 years). A reduction in the interest rate on corporate bonds of 0.5% will mean an increase in the liabilities of the plan by about SEK 0.7 million. As plans are unfunded, a reduced bond rate would increase liabilities without a corresponding increase in the value of plan assets.

Defined benefit obligations and value of plan	31-12-2013	31-12-2012
Present value of defined benefit obligations	22.4	22.1
Fair value of plan assets	-0.9	–
The Group's net obligation in respect of defined-benefit pension plans	21.5	22.1
- of which, Provisions for pensions	20.9	20.6
- of which, Other provisions	1.5	1.5
- of which, Other long-term receivables	0.9	–

Reconciliation of change in pension liability	31-12-2013	31-12-2012
Opening net debt (recalculated) [1]	22.1	22.8
Net pension expense (+) income (-)	1.9	1.6
Pension payments	-1.5	-1.5
Settlement of pension liability	–	-0.4
Restatement effect of changed assumptions	-1.0	-0.4
Closing net debt	21.5	22.1

1) See note 43, Change of accounting principles.

Specification of total costs for remuneration after completed employment as recognised in the income statement	2013	2012
Costs relating to defined benefit plans		
Costs for service in current year	-1.3	-0.9
Interest costs	-0.6	-0.7
Total costs for defined-benefit plans	-1.9	-1.6
Costs relating to defined contribution plans	-41.7	-44.4
Total costs recognised in income statement	-43.6	-46.0
Restatement effect reported in Other comprehensive income (before tax)	1.0	0.4

	31-12-2013	31-12-2012
Assets pledged for pension commitments		
Endowment insurance [1]	36.4	34.5
Total	36.4	34.5
Amount by which provision item is expected to be paid after more than 12 months	36.4	34.5

1) Pension obligations are funded through capital insurance, which means that any changes to the pension obligation will be fully compensated by the corresponding change in value of the capital insurance. Both the benefit obligation and the capital insurance are reported as memorandum items.

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NOT 31 DEFERRED TAX LIABILITIES AND TAX ASSETS

	Deferred tax assets		Deferred tax liability	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Machinery and equipment	2.7	2.7	12.1	5.9
Inventories	2.9	–	–	–
Accounts receivable	0.3	0.4		
Loss carry-forwards in Swedish companies	114.8	90.5	–	–
Loss carry-forwards in foreign companies	1.8	1.2	–	–
Pensions	11.5	11.2	–	–
Netting of receivables/liabilities in same jurisdiction	-8.4	-3.2	-8.4	-3.2
Total	125.6	102.8	3.7	2.2

Deferred tax assets are recognised for tax loss carry-forwards to the extent that it is likely they can be benefited from through future taxable surpluses. As of 31 December 2013, the accumulated tax losses in the Swedish company are SEK 521 (411) million. Note 4 explains the background to reporting of deferred tax assets for tax loss carry-forwards attributable to the Swedish business. The Group has also calculated tax loss carry-forwards amounting to SEK 34.1 (43.6) million attributable to China and the UK, for which deferred tax assets are not reported as of 31 December 2013, of which SEK 7.5 million falls due in 2014, SEK 6.5 million in 2016, SEK 9.9 million in 2017, SEK 1.3 million in 2018 and SEK 8.9 million in 2019 or later.

In a reconsideration decision, some deductions have been denied. The Administrative Court of Appeal in Stockholm, in a ruling dated 11 April 2013 repealed the Swedish Tax Agency's reconsideration decision and permitted the deduction of interest on the shareholder loan in accordance with the submitted tax returns. The verdict, which was appealed by the Swedish Tax Agency to the Supreme Administrative Court, means that FinnvedenBulten AB (publ) may be credited the deduction of SEK 197 million, of which SEK 123 million remained unutilised at 31 December 2013. Consequently, a deferred tax asset amounting to SEK 27.1 million was reported in 2013. The Supreme Administrative Court announced on 6 November 2013 a decision not to grant leave to appeal. The Administrative Court ruling is thereby confirmed.

NOTE 32 OTHER PROVISIONS

	31-12-2013	31-12-2012
Costs for restructuring programmes	12,5	–
Total	12,5	–

Carrying amount at start of period	–	0,2
Provisions during the year	15,4	–
Amounts utilised during the period	-2,9	-0,2
Carrying amount at end of period	12,5	–

Amount by which provision item is expected to be paid after more than 12 months	–	–

Provisions for restructuring cover direct costs relating to restructuring and having no connection with the company's current activities, e.g. costs for unutilised rental contracts, environmental costs and remuneration to staff without employment. When the effect of when the payment is made has significance, the provision is established via a calculation of current value of future payments.

NOTE 33 INTEREST-BEARING LIABILITIES

Interest-bearing long-term liabilities	31-12-2013	31-12-2012
Liabilities to credit institutions	89.1	79.7
Bank overdraft	100.9	165.7
Liabilities for finance leases	35.0	4.1
Other interest-bearing liabilities	225.0	249.6

Of which mature between 1-5 years	225.0	249.6
Of which mature after more than five years	–	–
Total	225.0	249.6
Provisions for pensions	20.9	20.6
Total long-term interest-bearing liabilities	245.9	270.2

Interest-bearing current liabilities	31-12-2013	31-12-2012
Liabilities to credit institutions	13.8	1.7
Provisions for pensions	1.5	1.5
Bank overdraft facilities	22.3	19.3
Liabilities for finance leases	8.4	8.0
Other interest-bearing liabilities	46.0	30.5

Fair value is considered to correspond to the book value of the Group's financial liabilities because the interest-bearing liabilities have interest corresponding to market rates. The Group has special loan conditions (covenants) that must be fulfilled with respect to external lenders, including equity/assets ratio targets and other ratio that include EBITDA, net debt and certain financial expenses. Terms for all covenants were fulfilled in both 2012 and 2013.

Long-term liabilities with credit institutes and the part of the bank overdraft facilities classified as long-term are covered by a credit facility that runs to July 2016.

NOTE 34 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	31-12-2013	31-12-2012
Business mortgages	447.9	405.0
Shares in subsidiaries	1,004.2	977.3
Other long-term receivables	0.9	–
Machinery with ownership restrictions	38.5	–
Total	1,491.5	1,382.3

NOTE 35 BANK OVERDRAFT FACILITIES

	31-12-2013	31-12-2012
Approved overdraft facilities	416.3	281.3
Unutilised portion	-293.1	-96.3
Credits utilised [1]	123.2	185.0

1) Of which SEK 100.9 (165.7) million is reported as a long-term liability as the Group has an unconditional right to extend the credit within the framework of existing credit arrangements, assuming compliance with the covenants as outlined in note 33.

NOTE 36 ACCRUED EXPENSES AND PREPAID INCOME

	31-12-2013	31-12-2012
Accrued wages/salary inc. holiday pay	58.7	49.3
Accrued social security costs	50.8	45.3
Other accrued expenses	45.7	37.9
Total	155.2	132.5

NOTE 37 CONTINGENT LIABILITIES

	31-12-2013	31-12-2012
Pension commitments in addition to those accounted for as liabilities or provisions [1]	36.9	36.2
Taxes [2]	–	31.0
Other contingent liabilities	13.1	17.8
Total	50.0	83.5

1) Of which SEK 36.4 (34.5) million refers to pension obligations that are secured through capital insurance, which means that any changes to the pension obligation will be fully compensated by the corresponding change in value of capital insurance. Both the benefit obligation and the capital insurance are reported as memorandum items.
2) Relates to a demand from the tax authority concerning a tax deduction that was previously rejected but later permitted in a verdict from the Court of Appeal in 2013. See note 31.

NOTE 38 INVESTMENT IN JOINT VENTURE

The Group has a shareholding of 60% in a joint venture, BBB Service Ltd., which supplies fasteners to a major engines project. The holding is recognised as a joint venture under the 'proportional method', given that no party can make significant business decisions without the consent of the other party and the risks and responsibilities are related to and connected with each party's deliveries and products. The following amounts are included in the consolidated income statement and balance sheet and represent the Group's share of sales and earnings, assets and liabilities.

	31-12-2013	31-12-2012
Assets		
Fixed assets	1.8	1.2
Current assets	73.8	71.8
Total	75.6	73.0
Liabilities		
Current liabilities	82.3	74.8
Total	82.3	74.8
Net assests	-6.7	-1.8

	2013	2012
Earnings		
Income	295.8	226.5
Expenses	-300.2	-228.7
Earnings after tax	-4.4	-2.2

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NOTE 39 TRANSACTIONS WITH RELATED PARTIES

At the end of 2013 there were no loans with the owners.

Information about intra-Group sales between other Group segments is presented in note 5, Information on business segments (divisions) and geographical markets. Internal pricing is based on the arm's-length principle, i.e. between parties that are independent of each other, well informed and with an interest in the transactions. Information about remuneration to senior executives is provided in Note 6 Employees, personnel costs and fees to the Board of Directors.

A payment of SEK 0.1 (0.1) million was made during the year to a company controlled by the chairman of the Board as remuneration for administration and rent, established on market terms.

The following related-party transactions were made with BBB Service Ltd (joint venture). All transactions were made on market terms according to the 'at arm's length' principle.

Sale of goods Receivables	2013	2012
Sale of goods	288.9	226.5
Receivables	90.6	97.7

No provisions were made for doubtful receivables as the receivables' nominal sum is expected to be valid.

NOTE 40 SPECIFICATION OF GROUP HOLDINGS OF PARTICIPATIONS IN GROUP COMPANIES

Subsidiary/Corp. reg. no./Reg. Office	Country	Participartion, % 31-12-2013
Finnveden AB, 556224-0894, Göteborg	Sweden	100.0
Bulten AB 556010-8861, Göteborg	Sweden	100.0
Bulten Sweden AB, 556078-3648, Göteborg	Sweden	100.0
Bulten Hallstahammar AB, 556261-2506, Hallstahammar	Sweden	100.0
Bulten i Kalix AB, 556250-9579, Kalix	Sweden	100.0
Bulten Ltd, Edinburgh, UK	UK	100.0
Bulten Polska S.A., Bielsko-Biala, PL	Poland	99.9
Bulten GmbH, Bergkamen, DE	Germany	100.0
Bulten Russia AB, 556872-5534, Göteborg	Sweden	100.0
Finnveden Micro Fasteners AB, 556039-4180, Göteborg	Sweden	100.0
Bulten Apac Company Limited, Hong Kong, CN	China	100.0
Bulten Fasteners (China) Co Ltd, Peking, CN	China	100.0
Finnveden, Inc., S:t Louis, US	USA	100.0
Finnveden Metal Structures AB, 556502-8338, Göteborg	Sweden	100.0
Finnveden Metal Structures Spzoo Bielsko-Biala, PL	Poland	100.0
Finnveden GMF AB, 556248-3452, Mora	Sweden	100.0
Finnveden Trading AB, 556201-4570, Göteborg	Sweden	100.0
Finnveden Gjutal AB, 556429-2380, Hultsfred	Sweden	100.0
Finnveden China Trading AB, 556838-9950, Hultsfred	Sweden	100.0
Finnveden Metal Structures Ltd, Shanghai, CN	China	100.0
BBB Service Ltd 880 6643 02, Scunthorpe, UK	UK	60.0
BBB Fasteners Craiova S.R.L 381312, Bukarest, Rumänien	Romania	60.0
FinnvedenBulten IT AB, 556245-8702, Göteborg	Sweden	100.0
Bulten-GAZ B.V. 59227419, Amsterdam	Netherlands	63.0
Bulten Share MIPCO AB, 556843-5001, Göteborg	Sweden	100.0
Bulten Warrant MIPCO AB, 556812-4464, Göteborg	Sweden	100.0
Bulten Stock Option AB, 556812-4290, Göteborg	Sweden	100.0
FMS Warrant MIPCO AB, 556812-4456, Göteborg	Sweden	100.0

For all participations above, the capital share is equal to the amount of votes.

NOTE 41 RECONCILIATION BETWEEN IFRS AND USED KEY CONCEPTS

Term used	2013	2012
Operating income (EBIT)	105.3	103.3
Depreciation and impairments	88.8	76.5
Operating income before depreciation (EBITDA)	194.1	179.8

Term used	2013	2012
Operating income (EBIT)	105.3	103.3
Depreciation and impairments	88.8	76.5
Operating income before depreciation and impairment (EBITDA)	194.1	179.8
Non-recurring items [1]	23.8	–
Adjusted operating income before depreciation and impairment (EBITDA)	217.9	179.8

In calculating the adjusted operating income, non-recurring items are added to operating income.

Term used	2013	2012
Operating income (EBIT)	105.3	103.3
Non-recurring items [1]	38.8	–
Adjusted operating income	144.1	103.3

In calculating the adjusted operating income, non-recurring items are added to operating income.

Term used	2013	2012
Earnings after tax	88.2	43.5
Non-recurring items [1]	38.8	–
Estimated tax on non-recurring items [1]	-8.5	–
Deferred tax benefit of additional tax loss carry-forwards from court ruling	-27.1	–
Tax cost due to non-recurring effect of changed tax rate in Sweden	–	19.1
Adjusted earnings after tax	91.4	62.6
No. of shares on closing date	21,040.2	21,040.2
Adjusted earnings per share	4.35	2.98

[1] Non-recurring items	2013	2012
Restructuring programme	-23.8	–
Impairment	-15.0	–
Total	-38.8	–

NOTE 42 CHANGES IN GROUP COMPOSITION

In 2013, a holding company was formed within the framework of cooperation with the Russian automotive manufacturer, GAZ. The partnership covers the production of fasteners in Russia. Registration of the company in Russia was completed after the balance sheet date and the preparations are now being made for the start of production. FinnvedenBulten's initial investment amounts to SEK 40 million in cash, for which an ownership share of 63% has been obtained. The holding company, which was consolidated as a subsidiary in the consolidated financial statements as of 14 November 2013 , has given rise to goodwill of SEK 14.9 million. Goodwill relates to expected future business opportunities for the Bulten division as a result of access to local production in Russia. GAZ's share (37%) is reported as a non-controlling interest, which is initially recognized at the proportional share of the carrying value of the acquired company's identifiable net assets.

NOTE 43 CHANGE IN ACCOUNTING PRINCIPLE

FinnvedenBulten has applied the revised IAS 19 employee benefits on 1 January 2013. The change means that the corridor method has been removed and the actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognized in other comprehensive income during the period in which they arise.

The new policies will affect reporting retrospectively and therefore the opening balance at 1 January 2012 was restated, reducing equity by SEK 3.3 million. Furthermore, the comparative figures per 31 December 2012 were restated. The transition to the new accounting principles means that net pension obligations including payroll taxes have increased by SEK 2.1 million as at 31 December 2012. Furthermore, deferred tax assets increased from SEK 102.2 million to SEK 102.8 million. For the full year 2012 net income improved by SEK 1.5 million (SEK 0.07 per share) and other comprehensive income increased by SEK 0.3 million as a result of the new accounting principles.

NOTE 44 EVENTS AFTER THE CLOSING DATE

In the first quarter of 2014 FinnvedenBulten signed an agreement for the sale of the Swedish aluminium operations in Finnveden Gjutal AB in the Finnveden Metal Structures division. The divested aluminium operations and additional restructuring charges are expected to make a positive net contribution to operating income of approximately SEK 10 million in 2014.

PARENT COMPANY'S INCOME STATEMENT

SEK MILLION	Note	2013	2012
Net sales	2	27.2	24.7
Cost of goods sold		–	–
Gross profit		27.2	24.7
Administrative expenses	3,6	-30.9	-33.4
Operating loss		-3.7	-8.7
Income from other investments held as fixed assets	4	-4.5	–
Interest expenses and similar items	5	-10.5	-9.1
Earnings after net financial items		-18.7	-17.8
Appropriations	7	15.5	–
Earnings before tax		-3.2	-17.8
Tax on year's earnings	8	26.6	-5.1
Profit/loss for the financial year		**23.5**	**-22.9**

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PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	2013	2012
Profit/loss for the year	23.5	-22.9
Other comprehensive income	–	–
Total comprehensive income for the year	**23.5**	**-22.9**

PARENT COMPANY'S BALANCE SHEET

SEK MILLION	Note	31-12-2013	31-12-2012
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment		0.2	0.2
Total tangible fixed assets		0.2	0.2
Financial assets			
Participations in Group companies	9	1,382.5	1,381.3
Deferred tax receivables	8	75.5	48.9
Other long-term receivables		0.7	5.6
Total financial assets		1,458.7	1,435.8
Total fixed assets		1,458.9	1,436.0
Current assets			
Current receivables			
Receivables from Group companies		16.1	19.1
Current tax receivables		0.4	0.8
Prepaid costs and accrued income		1.6	1.6
Total current receivables		18.1	21.5
Cash and cash equivalents		4.1	6.0
Total current assets		22.2	27.5
Total assets		**1,481.1**	**1,463.5**

SEK MILLION	Note	31-12-2013	31-12-2012
EQUITY AND LIABILITIES			
Equity			
Share capital	10	10.5	10.5
Reserves		99.6	99.6
Premium reserve		1,133.0	1,133.0
Retained earnings		-55.1	-36.5
Total equity		1,188.0	1,206.6
Liabilities			
Non-current liabilities			
Liabilities to Group companies		280.6	245.7
Total non-current liabilities		280.6	245.7
Current liabilities			
Accounts payable		1.2	2.0
Other liabilities		1.3	1.2
Accrued expenses and deferred income		10.0	8.0
Total current liabilities		12.5	11.2
Total equity and liabilities		**1,481.1**	**1,463.5**
Pledged assets	11	1,382.5	1,385.7
Contingent liabilities	12	13.4	49.0

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PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

	Restricted equity		Non-restricted equity		
SEK million	Share capital	Reserve	Premium reserve	Retained earnings	Total equity
Opening balance, 1 January 2012	10.5	99.6	1,133.0	19.4	1,262.5
Comprehensive income					
Profit/loss for the year	–	–	–	-22.9	-22.9
Other comprehensive income					
Group contribution 1)	–	–	–	12.4	12.4
Tax on Group contribution	–	–	–	-3.3	-3.3
Total comprehensive income	–	–	–	-13.8	-13.8
Transactions with shareholders					
Dividend to parent company shareholders (SEK 2.00 per share)	–	–	–	-42.1	-42.1
Total transactions with shareholders	–	–	–	-42.1	-42.1
Closing balance, 31 December 2012	**10.5**	**99.6**	**1,133.0**	**-36.5**	**1,206.6**
Comprehensive income					
Profit/loss for the year	–	–	–	23.5	23.5
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	23.5	23.5
Transactions with shareholders					
Dividend to parent company shareholders (SEK 2.00 per share)	–	–	–	-42.1	-42.1
Total transactions with shareholders	–	–	–	-42.1	-42.1
Closing balance, 31 December 2013	**10 .5**	**99.6**	**1,133.0**	**-55.1**	**1,188.0**

1) In 2013, the company changed its accounting principles for accounting of the Group. Both received that paid Group contributions are recorded from 2013 as an appropriation of profit and loss. No amendment has been made retrospectively. See also Note 14.

D

PARENT COMPANY'S CASH FLOW STATEMENT

SEK MILLION	2013	2012
Operating activities		
Earnings after financial items	-18.7	-17.8
Adjustments for items not included in cash flow	15.1	9.2
Taxes paid	–	–
Cash flow from operating activities before changes in working capital	-3.6	-8.6
Cash flow from changes in working capital		
Increase(–)/Decrease(+)in operating receivables	18.9	-3.5
Increase(+)/Decrease(–) in operating liabilities	0.9	-1.4
Cash flow from operating activities	16.2	-13.5
Investing activities		
Acquisition of tangible fixed assets	-1.2	-0.1
Acquisition of financial assets	0.4	-14.2
Cash flow from investing activities	-0.8	-14.3
Financing activities		
Increase in loan liabilities	24.8	74.7
Dividend to parent company shareholders	-42.1	-42.1
Cash flow from financing activities	-17.3	32.6
Cash flow for the year	-1.9	4.8
Cash flow for the year	-1.9	4.8
Cash and cash equivalents at start of financial year	6.0	1.2
Cash and cash equivalents at year end	4.1	6.0

PARENT COMPANY'S ADDITIONAL DISCLOSURES FOR CASH FLOW ANALYSIS

SEK MILLION	2013	2012
Interest paid and received		
Interest paid	–	–
Interest received	–	–

NOTES, PARENT COMPANY

All amounts in SEK million unless otherwise stated. Figures in brackets refer to the previous year.
Some figures are rounded up, so amounts might not always appear to add up when summarised.

NOTE 1 ACCOUNTING PRINCIPLES

The parent company applies standard RFR 2 Accounting for legal entities issued by the Swedish Financial Reporting Board. RFR 2 states that parent companies of Groups that voluntarily choose to apply IAS/IFRS in the consolidated accounts shall as a rule also apply the same IAS/IFRS. The parent company therefore applies the principles used for the consolidated accounts and which have been described above, with the exceptions stated below. The principles have been applied consistently for all years presented, unless otherwise stated. Shares and participations in subsidiaries are reported at acquisition cost after deductions for possible depreciation. Received dividends are reported as financial income. Dividends that exceed the comprehensive income of subsidiaries for the period or which mean that the reported value of the participation's net assets in the consolidated accounts are lower than the reported value of the participations, are an indication that there is an impairment requirement. When there is an indication that shares and participations in subsidiaries have fallen in value an estimate is made of the recoverable value. If this is lower than the reported value, impairment is carried out. Impairment is reported under 'Earnings from participations in Group companies'.

Shareholder contributions are reported directly under equity by the recipient and are activated as shares and participations for the contributor to the extent that impairment is not necessary.

Group contributions are reported from 2013 by applying the so-called alternative rule in accordance with RFR 2, IAS 27, p.2. The alternative rule means that both received and paid contributions are recorded as an appropriation of profit and loss. In 2012, the Group reported received / paid in order to minimize the total tax directly to retained earnings net of the related tax effect. Changing principles for the recognition of group contributions has been done with prospective effect. See Note 14 for additional information.

The parent company applies a different basis for calculating defined-benefit pension plans than that stated in IAS 19. The parent company follows the Swedish law on safeguarding of pension commitments and the prescriptions of the Swedish Financial Supervisory Board since this is a prerequisite for tax deductions. The parent company has no defined-benefit pension plans.

NOTE 2 NET SALES

	2013	2012
Intra-Group services	21.1	17.8
Other income	6.1	6.9
Total net sales	27.2	24.7

100% of net sales comprise intra-Group income. Intra-Group services include management, IT services and administrative support. Sales are based on market terms.

NOTE 3 FEES AND REMUNERATION FOR AUDITING

	2013	2012
PricewaterhouseCoopers		
Audit	1.0	1.2
Other audit assignments	0.1	0.1
Tax advice	–	0.2
Other services	0.3	0.9
Total	1.4	2.4

'Audit' refers to the examination of financial statements and accounting records and the President's administration, other tasks that might be incumbent on the company's auditors, and advice and other assistance as a result of observations during the audit or the implementation of the other duties referred to. 'Other auditing assignments' mainly comprises a general survey of interim reports. 'Tax advice' includes advice on income tax, including internal pricing issues, and VAT. 'Other services' refer to services not relating to the above categories, e.g. advice in connection with the listing process.

NOTE 4 RESULTS FROM OTHER SECURITIES AND RECEIVABLES HELD AS FIXED ASSETS

	2013	2012
Impairment of other securities	-4.5	–
Total	-4.5	–

NOTE 5 INTEREST EXPENSES AND SIMILAR ITEMS

	2013	2012
Interest expenses, Group companies	-10.1	-8.7
Other	-0.4	-0.4
Total	-10.5	-9.1

D

NOTE 6 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD

The company has 8 (7) employees. Remuneration to Board members, the CEO and other senior executives has also been contributed by other Group companies. Note 6 of the consolidated accounts presents total remuneration paid to Board members and senior executives.

Average no. of employees	2013	2012
Women	5	4
Men	3	3
Total	8	7

Salaries, remuneration, social fees and pension costs	2013	2012
Salaries and remuneration to Board members and CEO	5.8	4.7
Salaries and remuneration to other employees	5.8	5.3
Sum of wages and salaries	11.6	10.0
Statutory social security costs	3.5	2.8
Pensions costs for Board members and CEO	1.1	1.1
Pension costs for other employees	1.5	1.6
Sum of social security and remuneration cost	6.1	5.5
Total	17.7	15.5

Number of Board members on closing date	2013	2012
Women	1	1
Men	7	6
Total	8	7

Number of CEOs and senior executives on closing date	2013	2012
Women	1	1
Men	2	2
Total	3	3

NOTE 7 APPROPRIATIONS

	2013	2012
Group contribution, received	15.5	–
Total appropriations	15.5	–

In 2013, the company changed its accounting principles for accounting for the Group. Both paid and received Group contributions are recorded from 2013 as an appropriation of profit and loss. This amendment has not been made retrospectively. See also Note 14.

NOTE 8 TAX ON INCOME FOR THE YEAR

	2013	2012
Current tax		
Current tax for the year	–	–
Total current tax	–	–
Deferred tax expense (-)/tax income (+)		
Deferred tax on temporary differences	26.6	-5.1
Total deferred tax	26.6	-5.1
Recognised tax	26.6	-5.1

Reconciliation of effective tax, amount	2013	2012
Earnings before tax	-3.2	-17.8
Tax according to applicable tax rate for parent company	0.7	4.7
Non-deductible expenses	-1.2	-0.2
One-off effect due to the changed tax rate in Sweden	–	-9.5
Deferred tax for additional loss carry-forward tax deduction in accordance with court ruling	27.1	–
Tax on income for the year according to income statement	26.6	-5.1

The deferred tax asset of SEK 75.5 (48.9) million is fully attributable to tax the deficit deduction.

In a reconsideration decision, some deductions have been denied. The Administrative Court of Appeal in Stockholm, in a ruling dated 11 April 2013 repealed the Swedish Tax Agency's reconsideration decision and permitted the deduction of interest on the shareholder loan in accordance with the submitted tax returns. The verdict, which was appealed by the Swedish Tax Agency to the Supreme Administrative Court, means that FinnvedenBulten AB (publ) may be credited the deduction of SEK 197 million, of which SEK 123 million remained unutilised at 31 December 2013. Consequently, a deferred tax asset amounting to SEK 27.1 million was reported in 2013. The Supreme Administrative Court announced on 6 November 2013 a decision not to grant leave to appeal. The Administrative Court ruling is thereby confirmed.

NOTE 9 PARTICIPATIONS IN GROUP COMPANIES

	31-12-2013	31-12-2012
Opening balance	1,381.3	1,367.1
Acquisitions during the year	1.2	14.2
Reported value at year end	1,382.5	1,381.3

SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

Subsidiary/Corp. reg. no./Reg. office	Participations, % 2013-12-31	Reported value 2013-12-31
Finnveden AB, 556224-0894, Göteborg	100,0	1,281.2
Bulten Share MIPCO AB, 556843-5001, Göteborg	100,0	4,6
Bulten Warrant MIPCO AB, 556812-4464, Göteborg	100,0	6,0
Bulten Stock Option AB, 556812-4290, Göteborg	100,0	34,4
FMS Warrant MIPCO AB, 556812-4456, Göteborg	100,0	56,3
Reported value at year end		1,382.5

For all participations above, the capital share is equal to the amount of votes.

NOTE 10 SHARE CAPITAL

	Ordinary shares	Preference shares	Total no. of shares
Number of shares outstanding at 31 December 2010	11,037,000	963,000	12,000,000
Reclassification of preference shares at 3 March 2011	963,000	-963,000	–
Registered new share issue at 20 May 2011	7,197,430	–	7,197,430
Registered new share issue at 25 May 2011	1,842,777	–	1,842,777
Number of shares outstanding at 31 December 2011	21,040,207	–	21,040,207
Antal utestående aktier per 31 december 2013	21,040,207	–	21,040,207

The total number of ordinary shares at 31 December 2013, was 21,040,207. The quotient value of the share is SEK 0.50. All issued shares have been paid in full.

NOTE 11 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	31-12-2013	2012-12-31
Shares in subsidiaries	1,382.5	1,385.7
Total	1,382.5	1,385.7

NOTE 12 CONTINGENT LIABILITIES

	31-12-2013	2012-12-31
Guarantees on behalf of Group companies	13.4	18.0
Taxes [1]	–	31.0
Total	13.4	49.0

1) Relates to a demand from the tax authority concerning a tax deduction that was previously rejected but later permitted by the Court of Appeal in 2013. See note 31 of the consolidated accounts.

NOTE 13 TRANSACTIONS WITH RELATED PARTIES

At the end of 2013 there were no loan relationships with owners.

NOTE 14 CHANGE IN ACCOUNTING PRINCIPLES

Group contributions are reported from 2013 by applying the so-called alternative rule in accordance with RFR 2, IAS 27, p.2. The alternative rule means that both received and paid contributions are recorded as an appropriation of profit and loss. In 2012, the Group reported received / paid in order to minimize the total tax directly to retained earnings net of the related tax effect. Changing principles for the recognition of group contributions has been done with prospective effect. Thus, no restatement of the comparative year's figures has been made. In the event that the alternative rule had been applied retroactively, the balance sheet at 31 December 2012 would have been unchanged and the income statement for 2012 affected as follows:

Pro forma accounts 2012	As reported	Effect of applying alternative rule	Adjusted income statement (pro forma)
Loss after net financial items	-17.8	–	-17.8
Appropriations	–	12.4	12.4
Earnings before tax	-17.8	12.4	-5.4
Tax on year's earnings	-5.1	-3.3	-8.4
Profit/loss for the fiscal year	-22.9	9.1	-13.8

DECLARATION AND SIGNATURES

The Board of Directors and the Chief Executive Officer confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

Gothenburg, 26 March 2014

Roger Holtback
Chairman of the Board

Hans Gustavsson
Board member

Hans Peter Havdal
Board member

Arne Karlsson
Board member

Johan Lundsgård
Board member

Adam Samuelsson
Board member

Tony Frunk
Employee representative

Katarina Olsson
Employee representative

Johan Westman
Chief Executive Officer

Our Audit Report was submitted on 26 March 2014

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders of FinnvedenBulten AB (publ), Corporate identity number 556668-2141

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of FinnvedenBulten AB (publ) for the year 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 30-71.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of FinnvedenBulten AB (publ) for the year 2013.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Gothenburg, 26 March 2014

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

F

DEFINITIONS

Capital employed
Balance sheet total deducted with non-interesting liabilities, including deferred tax.

Capital turnover
Net sales divided by average capital employed.

Earnings per share
Profit/loss for the year divided by the average number of shares.

EBITDA margin
Operating profit/loss before depreciation and amortisation as a percentage of year's net sales.

EBIT margin (operating margin)
Operating profit/loss after depreciation and amortisation as a percentage of year's net sales.

Adjusted EBIT margin (operating margin)
Operating profit/loss after depreciation and amortisation adjusted for non-recurring items as a percentage of year's net sales.

Equity
Reported shareholders' equity including minority interests.

Equity/assets ratio
Shareholders' equity including minority interests as a percentage of balance sheet total.

Adjusted equity/assets ratio
Shareholders' equity including minority interests, shareholder loan and preference shares issued as a percentage of balance sheet total.

FSP concept (FSP)
Offers full responibility throught the whole value chain, from development of the product to delivery into the customer's production line.

Gross margin
Gross profit/loss as a percentage of year's net sales.

Interest-coverage ratio
Profit/loss after net financial items, plus financial expenses, divided by financial expenses.

Inventory turnover
Cost of goods sold divided by average capital employed.

Net debt
Interest-bearing liabilities, less interest-bearing assets, everything calculated at year-end.

Adjusted net debt
Interest-bearing liabilities excluding interest-bearing shareholder loan, less interest-bearing assets, everything calculated at year-end.

Net debt/equity ratio
Interest-bearing net liabilities divided by shareholders' equity

Adjusted net debt/equity ratio
Interest-bearing net liabilities divided by shareholders' equity. In the calculation, shareholder loan and preference shares issued are classified as equity.

Net margin
Profit/loss for the year as a percentage of net sales.

Net sales per employee
Net sales divided by average number of annual employees.

OEM
Original Equipment Manufacturer, vehicle manufacturer.

Operating margin
Operating profit/loss as a percentage of net sales.

Operating margin before goodwill
Operating profit/loss before goodwill amortization as a percentage of net sales.

Operating profit per employee
Profit/loss after financial items divided by average number of annual employees.

Organic growth
Net sales compared to the previous year's results.

Return on adjusted equity
Profit/loss for the year excluding minority interests in relation to average equity excluding minority interests but including shareholder loan and preference shares issued.

Return on capital employed
Profit/loss after net financial items plus financial expenses as a percentage of the average capital employed.

Return on equity
Profit/loss for the year excluding minority interests in relation to average equity excluding minority interests.

Tier 1 supplier
A supplier that delivers directly to vehicle manufacturers.

Tier 2 supplier
A supplier that delivers to Tier 1 suppliers.

CORPORATE GOVERNANCE REPORT

FinnvedenBulten AB (publ) is a Swedish public limited company with its registered office in Göteborg, Sweden. FinnvedenBulten has been listed on NASDAQ OMX Stockholm since 20 May 2011. The Company conforms with the NASDAQ OMX Stockholm's regulatory framework for issuers and applies the Swedish Code of Corporate Governance (the "Code"). The Code is available on the website of the Swedish Corporate Governance Board at www.bolagsstyrning.se. The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied at the first AGM held during the year following market listing. FinnvedenBulten started adapting to the Code in connection with its 2011 AGM and has since then implemented it. The Company need not obey all rules in the Code but has options for selecting alternative solutions which it may deem to better suit to its circumstances provided that any noncompliance and alternative solutions are described and the reasons explained in the corporate governance report.

This corporate governance report was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. It has been reviewed by the company's auditors.

ANNUAL GENERAL MEETING

Under the Swedish Companies Act the shareholders' meeting is the Company's highest decision-making body. At shareholders' meetings, shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of Company profits, authorisation to release the members of the board of directors and the CEO from liability, election of Board members and auditors and remuneration for the Board of Directors and the auditors.

Besides the AGM, extraordinary shareholders' meetings may be convened. In accordance with the Articles of Association, shareholders' meetings shall be convened through announcements in Post- och Inrikes Tidningar and by posting the convening notice on the Company's website. An announcement shall be placed in Dagens Industri announcing that the meeting has been convened.

Right to Attend AGMs

All shareholders who are registered directly in one of Euroclear Sweden AB's share registers five weekdays prior to the shareholders' meeting and who notify the Company of their intention to attend (with possible assistants) the shareholders' meeting at the latest by the date specified in the convening letter shall be entitled to attend the shareholders' meeting and vote according to the number of shares they hold. Shareholders may attend shareholders' meetings in person or through a proxy, and may also be accompanied by at the most two assistants.

Initiatives from shareholders

Shareholders who wish to have a question addressed at the AGM must submit a written request to the Board which shall be received by the Board no later than seven weeks prior to the AGM.

Largest shareholders

At the end of 2013 the Company had a total of 3,153 (1,757) shareholders. The five largest shareholders controlled 54.3% (63.5) of capital and votes by the end of the year. The single largest shareholder, Nordic Capital Fond V, controlled 23.2% (34.6) of the capital and votes. After the end of the year Nordic Capital Fund V has sold its holding in the company.

2014 Annual General Meeting

The Annual General Meeting (AGM) of FinnvedenBulten AB (publ) will be held at Svenska Mässan in Göteborg, Sweden, on 29 April 2014 at 17.00 CET. More information is available at www.finnvedenbulten.com

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the shareholders' meeting. Under the Swedish Companies Act, the Board of Directors is responsible for the Company's management and organisation, which means the Board of Directors is responsible for setting goals and strategies, providing procedures and systems for the evaluation of established goals, constant assessment of the

Board members elected at 2013 AGM

The following table presents an overview of the Board of Directors as of 31 December 2013. See pages 80-81 for more information.

Name	Board role	Elected/ appointed	Resigned	Audit committee	Compensation committee	Independent of company and executive management	Independent of major shareholders
Board members							
Roger Holtback	Chairman	2005	-	-	Member	Yes	Yes
Hans Gustavsson	Member	2005	-	Member	Member	Yes	Yes
Hans Peter Havdal	Member	2013	-	-	-	Yes	Yes
Arne Karlsson	Member	2010	-	Chairman	-	Yes	Yes
Johan Lundsgård	Member	2012	-	Member	Chairman	Yes	No
Adam Samuelsson	Member	2005	-	Member	-	Yes	Yes
Katarina Olsson	Employee representative	2011	-	-	-	-	-
Tony Frunk	Employee representative	2011	-	-	-	-	-
Deputies							
Peder Johansson	Employee representative	2013	-	-	-	-	-
Maria Knutsson	Employee representative	2011	2013	-	-	-	-
Thure Andersen	Employee representative	2011	-	-	-	-	-

Company's financial position and for evaluating operating management.

The Board of Directors is also responsible for preparation and submission of the annual report and the consolidated accounts and that the interim reports are prepared in time. The Board of Directors also appoints the CEO.

Members of the Board of Directors are appointed annually by the AGM for the period until the end of the next AGM. According to the Company's Articles of Association, the part of the Board of Directors elected by the shareholders' meeting shall consist of a minimum of three and a maximum of ten members without deputies. In addition, employee representatives have been appointed.

Chairman of the Board

The Chairman of the Board is elected by the AGM and has special responsibility for leading the work of the Board of Directors and for ensuring that the Board of Directors' work is efficiently organised.

Board's procedures

The Board of Directors follows written rules of procedure, which are revised annually, and are adopted by the constituting board meeting every year. Among other things, the rules of procedure regulate Board practice, functions and the division of work between the members of the Board and the CEO. At the time of the constituting Board meeting, the Board of Directors also establishes instructions for financial reporting and instructions for the CEO.

The Board of Directors meets five times a year in addition to the constituting Board meeting in accordance with an annual predetermined schedule. Besides these meetings, additional meetings can be arranged to discuss issues which cannot be postponed until the next ordinary meeting. Besides the meetings of the Board, the Chairman of the Board and the CEO constantly discuss the management of the Company.

At present, the Company's Board of Directors consists of six ordinary elected members and two ordinary employee representatives and two deputies for these. Board members are presented in more detail in the section headed 'Board of Directors, senior executives and auditors'.

Board meetings in 2013

Attendance of Board members at Board meetings in 2013.

Director's name	Attendance/ total number of meetings
Roger Holtback	9/9
Arne Karlsson	9/9
Hans Gustavsson	9/9
Hans Peter Havdal (elected 26-04-2013)	5/9
Johan Lundsgård	9/9
Adam Samuelsson	9/9
Katarina Olsson	8/9
Tony Frunk	8/9
Deputies	
Maria Knutsson (resigned 19-09-2013)	7/9
Peder Johansson (elected 19-09-2013)	1/9
Thure Andersen	8/9

Board assessment, 2013

An annual assessment is made of the work of the Board which is presented and discussed at one of the board meetings during the year. The purpose of this assessment is to develop work procedures and enhance efficiency.

AUDIT COMMITTEE

FinnvedenBulten has an audit committee consisting of four members: Arne Karlsson (chairman), Hans Gustavsson, Johan Lundsgård and Adam Samuelsson.

The members of the committee may not be employed by the Company. The Chairman of the Board may be a member of the committee, but may not be its chairman. The audit committee shall consist of at least three Board members. The majority of the committee members shall be independent of the Company and the company management. At least one of the members who is independent of the Company and the company management shall also be independent of the Company's major owners and possess auditing or accountancy expertise. The audit committee shall without it affecting the responsibilities and tasks of the Board of Directors among others monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated accounts, scrutinise and monitor the impartiality of the auditors and pay close attention to whether the auditors are providing other services besides audit

services for the Company, and assist in drawing up proposals for the shareholders' meeting's decision on choice of auditors. The audit committee shall meet regularly with the Company's auditors. The committee has no special decision-making powers.

Committee member	Attendance/ total number of meetings
Arne Karlsson	6/6
Johan Lundsgård	6/6
Hans Gustavsson	5/6
Adam Samuelsson	5/6

REMUNERATION COMMITTEE

FinnvedenBulten has a remuneration committee consisting of three members: Johan Lundsgård (chairman), Roger Holtback and Hans Gustavsson. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and all member of the Company management. The Chairman of the Board may be chairman of the committee. Other members of the committee shall be independent of the Company and the company management. The members of the committee must together have the necessary knowledge and experience in matters relating to the remuneration of senior management.

Committee member	Attendance/ total number of meetings
Johan Lundsgård	3/3
Roger Holtback	3/3
Hans Gustavsson	2/3

H

NOMINATION COMMITTEE

The nomination committee shall consist of four members, one representative for each of the three major shareholders as of the last banking day in September who wish to appoint a member to the nomination committee and the Chairman of the Board of Directors. The term 'three major shareholders' refers to the three major shareholders registered and ownership-grouped by Euroclear Sweden AB as at the last banking day in September. If there is a major change in ownership, the new major owner shall have the right, provided that a request is made, to appoint a member to the nomination committee.

Instructions for the nomination committee were adopted at the AGM held on 26 April 2013. Among other things the nomination committee shall submit proposals for the chairman of the AGM, the number of elected members of the Board, the chairman and other members of the Board, fees for each of the elected members of the Board and for members of the Board's committees, the number of auditors and auditors' fees. Ulf Rosberg was appointed chairman of the nomination committee.

Committee member	Company
Roger Holtback, Chairman of the Board	FinnvedenBulten AB
Ulf Rosberg	Nordic Capital Fond V
Karl-Axel Granlund	Volito AB
Fredrik Grevelius	Investment AB Öresund

THE CEO AND OTHER SENIOR EXECUTIVES

The CEO reports to the Board of Directors and is primarily responsible for the Company's day-to-day administration and operations. The division of responsibilities between the Board of Directors and CEO is set out in the rules of procedure governing the activities of the Board and the instructions for the CEO. The CEO is also responsible for drafting reports and compiling information from management in preparation for Board meetings and for presenting the material at the meetings. Under the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and is thus required to ensure that the Board obtains sufficient information to enable it to continuously evaluate FinnvedenBulten's earnings and financial position. The CEO is therefore required to keep the Board informed of the Company's development, sales, results and financial position, liquidity and credit situation, important business events and other circumstances that cannot be assumed to be irrelevant for the Company's shareholders and directors. Board members are presented in more detail in the section headed 'Board of Directors, senior executives and auditors'.

REMUNERATION FOR MEMBERS OF THE BOARD AND SENIOR EXECUTIVES

Remuneration for Board members

Fees and other remuneration for elected members of the Board, including the chairman, are fixed by the AGM. The AGM held on 26 April 2013 decided that a total fixed remuneration of SEK 2,100,000 shall be paid to the board of directors for the period until the next AGM, whereof SEK 600,000 shall be paid to the chairman and SEK 300,000 shall be paid to each of the other board members who are elected at a shareholders meeting and not employed by the company. A total fixed remuneration of SEK 50,000 shall be paid to the member of the board who will have special responsibility for Finnveden Metal Structures AB, a condition for the payment is that such member is a board member who is elected at a shareholders' meeting and is not employed by the company. The AGM also decided on a fixed fee of SEK 300,000 for the audit committee, of which SEK 100,000 should be paid to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee. The members of the remuneration committee will receive no fees. A reimbursement of administrative expenses of SEK 20,000 plus VAT for each quarter of a year shall be paid to a company associated to the Chairman. The members of the Company's Board shall not be entitled to any benefits once they retire as members of the Board.

For further information about remuneration to Board members, see note 6.

Remuneration for senior executives

By the decision of the AGM on 26 April 2013, the following guidelines shall apply to remuneration and other employment terms and conditions for the CEO and other senior management. Salaries and other terms and conditions of employment shall be adequate for FinnvedenBulten to constantly attract and retain skilled senior managers at a reasonable cost to the Company. Remuneration in FinnvedenBulten shall be based on principles of performance, competitiveness and fairness. The salaries of senior managers are made up of a fixed salary, bonuses, pension and other benefits. Every senior manager shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibility, expertise and performance. In addition, the AGM may resolve to offer long-term incentive programs such as share and share price-related incentive programs. These incentive programs are intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

All senior managers may be offered cash bonuses now and again. In the case of the CEO such bonuses may amount to a maximum of 60 percent of the annual fixed salary, but at present it amounts to 50 percent of the annual fixed salary. In the case of the other senior managers bonuses may not exceed 40 percent of their annual fixed salaries. Bonuses shall primarily be based on developments in the Group as a whole or developments in the division or unit which the person in question is responsible for.

For further information about remuneration to senior executives, see note 6.

EXECUTIVE MANAGEMENT

The executive management team comprises the CEO, Executive Vice President and the CFO. The team meets regularly with the Vice President Corporate Communications, Group Chief Accountant and Vice President Business Development as deputy members. Both the CEO and Executive Vice President are the division heads, so there is close contact with business operations.

DIVISIONS

FinnvedenBulten is divided into two operating divisions. These divisions operate as separate subsidiaries and, in turn, they own shares in subordinate subsidiaries. FinnvedenBulten's divisions have responsibility for development of their own business and for meeting established financial targets.

INTERNAL CONTROLS

This section contains the Board's annual report on how financial reporting is organized. The basis for this description is the Swedish Code of Corporate Governance's rules and guidelines prepared by the Confederation of Swedish Enterprise and FAR.

The Board's responsibility for internal controls is established in the Swedish Companies Act and internal controls regarding financial reporting are covered by the Board's reporting instructions for the CEO. FinnvedenBulten's financial reporting complies with the laws and rules for companies listed on the Stockholm stock exchange and the local rules that apply in all of the countries where business is carried out.

In addition to external rules and recommendations there are internal instructions, guidelines and systems as well as internal delegation of responsibility and authority that has the overall aim of providing good control over financial reporting.

Control environment

The control environment forms the basis for internal controls. FinnvedenBulten's control environment comprises, among other things, an organization structure, instructions, policies, guidelines, reporting and defined areas of responsibility. The Board has overall responsibility for internal controls for financial reporting. The Board has established written procedures outlining the Board's responsibility and regulating the Board's and its committee's division of responsibilities. The Board has appointed an audit committee with the task of safeguarding established principles for financial reporting and compliance with internal controls. This committee is also responsible for maintaining appropriate relations with the company's auditors. The Board has also prepared instructions for the CEO and has agreed how economic reporting shall be submitted to the Board of FinnvedenBulten AB (publ). The Group's CFO shall report the results of internal controls to the audit committee. The results of the audit committee's work in the form of observations, recommendations and proposals for decisions and measures are reported regularly to the Board. FinnvedenBulten AB's significant steering documents in the form of policies, guidelines and manuals, as they relate to financial reporting, are kept up-to-date and communicated through established channels to the companies in the Group. Systems and procedures have been established to supply the executive management team with the necessary reports about business results in relation to established targets. Appropriate information systems have been established to ensure that reliable and up-to-date information is provided so that senior executives can perform their assignments correctly and efficiently.

Risk assessment

FinnvedenBulten's risk assessment regarding financial reporting aims to identify and evaluate the significant risks that affect internal controls for financial reporting of the Group's companies, business areas and processes. The significant risks identified in the Group's internal control activities that affect internal controls for financial reporting are handled through control structures that are based on reporting of noncompliance based on established targets or norms for, for example, assessments of inventories and other significant assets.

Internal controls for financial reporting

Financial reports are prepared monthly, quarterly and annually for the Group, its divisions and subsidiaries. In connection with reporting, extensive analysis and comments are prepared along with updated forecasts aimed at ensuring, among other benefits, that financial reporting is accurate. Finance staff and controllers with functional responsibility for accounts, reports and analysis of financial development work at Group, divisions and unit level.

FinnvedenBulten's internal control activities aim to ensure that the Group meets its objectives for financial reporting.

Financial reporting shall:

- Be correct and complete, and meet all applicable laws, rules and recommendations
- Provide a fair description of the company's business
- Support a rational and informed valuation of the business

In addition to these three objectives, internal financial reporting shall support correct business decisions at all levels of the Group.

Information and communication

Internal information and communication aims to create awareness among employees of internal and external control instruments as well as authority and responsibility. Information and communication about internal control instruments for financial reporting are accessible for all concerned employees. The key tools for this are FinnvedenBulten's manuals, intranet and training activities.

Control activities

The Group's companies are organized in two divisions. Each division management team includes a head of finance who has the central role for analyzing and following up the division's financial reporting and results. The parent company has additional functions for regular analysis and follow-up of the financial reporting of the Group, divisions and subsidiaries.

Follow-up

The Board is kept informed about, and itself assesses monthly, business development, earnings, financial position and cash flow via a reporting package that contains outcomes, forecasts and comments on key indicators.

Follow-up of financial information

The Board publishes, and has responsibility for, the company's financial reporting.

The audit committee supports the Board by preparing activities that assure the quality of the company's financial reporting. This is partly achieved by the audit committee checking the financial information and the company's financial controls.

The Board is informed monthly about business development, earnings, financial position and cash flow. Outcomes and forecasts are assessed and monitored.

All of the Group's companies report financial information in accordance with an established format and established accounting principles. In connection with this reporting an analysis and risk assessment of the financial situation is carried out.

AUDITORS

FinnvedenBulten's auditors are PricewaterhouseCoopers AB, with Fredrik Göransson as authorised public accountant in charge of the audit. PwC carries out the audit of FinnvedenBulten AB (publ) and all essential subsidiaries. The annual audit includes a statutory audit of FinnvedenBulten AB's annual accounts, a statutory audit of the Parent Company and all essential subsidiaries, an audit of the internal report packages, an audit of the year-end closing and a general review of one interim report. Reviews of internal control are included as part of the work.

During the second quarter a meeting is held with the executive management for analysis of the organisation, operations, business processes and line items for the purpose of identifying areas involving an elevated risk of errors in the financial reporting. A meeting is also held with the audit committee for reconciliation of strategy and aims. The auditor also attends at least one Board meeting each year.

A general review of the year-end closing is performed for the period January–September. In October an early warning review is performed of the third quarter accounts, followed by an early warning meeting with the executive management where important questions for the annual closing are raised. A review and audit of the annual closing and annual accounts is performed in January–February.

During 2013, in addition to the audit assignment, FinnvedenBulten consulted PwC on taxes, transfer price matters and accounting matters. The size of remunerations paid to PwC in 2013 is shown in Note 7 on page 52.

PwC is obligated to examine its independence prior to decisions to provide independent advice to FinnvedenBulten in addition to its auditing assignments.

In accordance with the company's articles of association, the company shall have at least one, and at most two, auditors, and at most two deputy auditors. In accordance with the articles of association, the mandate period for the auditors shall be one year.

COMMUNICATION

The company's information to shareholders and other interested parties is supplied via the annual report, interim reports and press releases. All external information is available on the company's website, www.finnvedenbulten.com

INTERNAL AUDIT

FinnvedenBulten applies the Swedish Code of Corporate Governance with the following exceptions.

A special function for internal audits has not been established within the company. The Board makes an assessment each year whether to establish a function for internal auditing. In 2013 the Board decided that this was not necessary. In reaching this decision the Board decided that internal controls are primarily exercised through the following:
- Operational managers at various levels
- Local and central finance functions
- Monitoring by executive management team

The above points together with the size of the company persuade the Board that it is not economically viable to set up an additional administrative function.

Göteborg, Sweden, 26 March 2014

Roger Holtback *Chairman of the Board*	Hans Gustavsson *Board member*	Hans Peter Havdal *Board member*
Arne Karlsson *Board member*	Johan Lundsgård *Board member*	Adam Samuelsson *Board member*
Tony Frunk *Employee representative*	Katarina Olsson *Employee representative*	Johan Westman *President and CEO*

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders of FinnvedenBulten AB (publ), corporate identity number 556668-2141

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2013 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual report and the consolidated accounts.

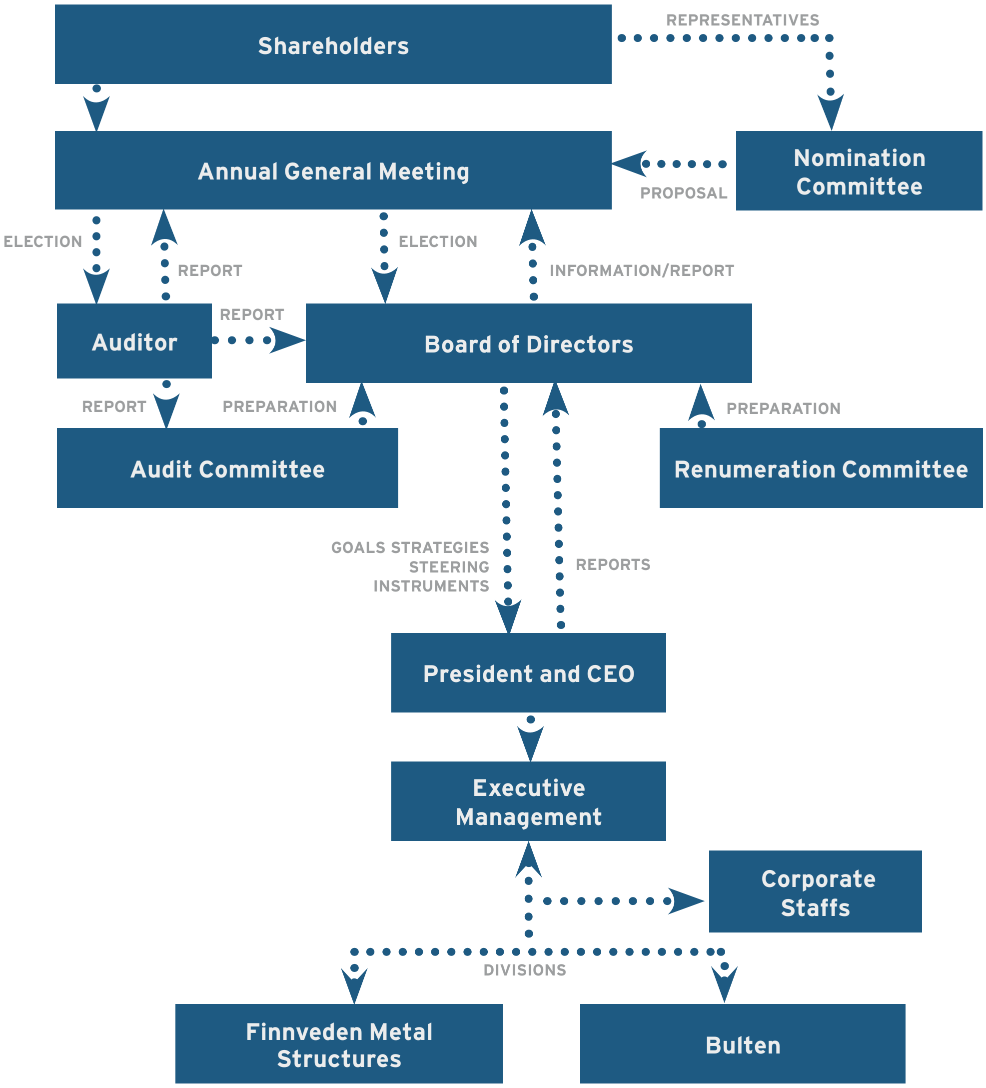
Gothenburg, 26 March 2014

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

OVERVIEW OF CORPORATE GOVERNANCE

Illustration of FinnvedenBulten's corporate governance process, from shareholder to executive management.



BOARD OF DIRECTORS, AUDITORS AND EXECUTIVE MANAGEMENT

DIRECTORS ELECTED BY ANNUAL GENERAL MEETING

ROGER HOLTBACK

CHAIRMAN OF THE BOARD

Member of Remuneration Committee

Born 1945. MBA. Board member since 2005.
Principal work experience: Former President and CEO of Volvo Car Corporation and Executive Vice President of AB Volvo.
Other Board assignments: Chairman of the board of the Swedish Exhibition Centre, Rullpack AB and Holtback Group AB and its subsidiaries.
Also board member of IHS Inc., USA (NYSE), Trox AB and member of Stena Sfärråd.
Shares in FinnvedenBulten: 350,000[1)]

HANS GUSTAVSSON

Member of Remuneration Committee and Audit Committee

Born 1946. Mechanical engineer, studies in economics and management. Board member since 2005.
Principal work experience: Former senior executive at Volvo Cars and Jaguar Land Rover.
Other Board assignments: Board member of Calix Group AB and Klippan Group AB. Runs a consultancy business in leadership and is advisor for Denso Sweden AB.
Shares in FinnvedenBulten: 196,268[1)]

ARNE KARLSSON

Chairman of Audit Committee

Born 1944. MBA. Board member since 2010 (also Board member 2005-2008).
Principal work experience: Former CFO and Executive Vice President of Scania AB.
Other Board assignments: Board member of Haldex AB and chairman of the audit committee.
Shares in FinnvedenBulten: 7,165

JOHAN LUNDSGÅRD

Chairman of Remuneration Committee
Member of Audit Committee

Born 1953. Studies in finance and management. Board member since 2012.
Principal work experience: Current position, President and CEO of Volito AB. Has previously held executive positions at Getinge, Trelleborg, Novartis and Finnveden among others.
Other Board assignments: Chairman of the board of CTT Systems AB (publ). Board member of Scandinavian Aviation Academy AB.
Shares in FinnvedenBulten: 0[1)]

ADAM SAMUELSSON

Member of Audit Committee

Born 1973. MBA. Board member since 2005.
Principal work experience: Currently CEO and Board member of Idun Handel & Industri AB.
Other Board assignments: Board member of Bufab Holding AB and Idun Handel & Industri AB.
Shares in FinnvedenBulten: 0[1)]

HANS PETER HAVDAL

Born 1964. M. Sc. Board member since 2013.
Principal work experience: Current position, President and CEO of Kongsberg Automotive Holding. Previously senior positions within Kongsberg group.
Other Board assignments: None
Shares in FinnvedenBulten: 0[1)]

EMPLOYEE REPRESENTATIVES ON BOARD OF DIRECTORS

TONY FRUNK

Born 1950. Employee representative. Purchaser at FinnvedenBulten's Hallstahammar plant. Employed by the company since 1966. Board member since 2011. Representative of IF Metall.
Shares in FinnvedenBulten: 0[1]

KATARINA OLSSON

Born 1955. Employee representative. Production Controller at Finnveden Bulten's Olofström plant. Employed by the company since 1974. Board member since 2011. Representative of Unionen.
Shares in FinnvedenBulten: 200[1]

THURE ANDERSEN

Born 1952. Deputy employee representative. Production planner at FinnvedenBulten's Hallstahammar plant. Employed by the company since 2000. Board member since 2011. Representative of Unionen.
Shares in FinnvedenBulten: 0[1]

PEDER JOHANSSON

Born 1965. Deputy employee representative. Applications engineer at Finnveden Metal Structures division. Employed by the company since 1986. Board member since 2013. Representative of Unionen.
Shares in FinnvedenBulten: 0[1]

AUDITORS

PRICEWATERHOUSECOOPERS AB. Lead auditor Fredrik Göransson. Born 1973. Authorised public accountant. Auditor of FinnvedenBulten since 2013.

EXECUTIVE MANAGEMENT TEAM

JOHAN WESTMAN

President and CEO

Born 1973. President and CEO of FinnvedenBulten AB (publ) and CEO of Finnveden AB. Has worked for the Group since 2006. Holds a Master of Science in Industrial Engineering and Management from Chalmers university of Technology and studied economics at the university of Gothenburg. Previous career at Arthur D. Little AB.
Shares in FinnvedenBulten: 251,289[1]

HELENA WENNERSTRÖM

CFO

Born 1965. CFO for FinnvedenBulten AB (publ) and Bulten AB. Has worked for the Group since 2002. Holds a Master of Business Administration and Economics from Örebro university. Previous career at Digitalfabriken and Topcon.
Shares in FinnvedenBulten: 92,590[1]

TOMMY ANDERSSON

Executive Vice President

Born 1953. Executive Vice President of FinnvedenBulten (publ) AB and CEO of Bulten AB. Has worked for the Group since 2001. Studied economics and management at Ashridge. Previous career at Autoliv.
Shares in FinnvedenBulten: 182,868[1]

1) Shareholding as of 14 March 2014.

KEY INDICATORS

THE GROUP	2013	2012	2011	2010
Margins				
EBITDA margin, %	6.3	6.1	8.9	7.1
EBIT margin (operating margin), %	3.4	3.5	6.5	4.4
Adjusted EBIT margin (operating margin), %	4.7	3.5	7.1	4.8
Net margin, %	2.9	1.5	3.7	6.9
Return indicators				
Capital employed, %	7.8	8.2	15.4	9.5
Adjusted return on capital employed, %	10.6	8.2	16.8	10.4
Equity, %	8.3	4.2	15.1	44.5
Adjusted equity, %	8.6	6.1	15.1	19.5
Capital structure				
Capital turnover, times	2.2	2.3	2.4	2.2
Net debt/equity ratio, times	0.2	0.2	0.2	1.3
Adjusted net debt/equity ratio, times	0.2	0.2	0.2	0.2
Interest coverage ratio, times	5.9	6.9	4.3	1.5
Equity/assets ratio, %	53.0	55.7	54.3	25.9
Adjusted equity/assets ratio, % [1]	53.0	55.7	54.3	48.8
Employees				
Net sales per employee, SEK '000	1,666.3	1,637.3	1,766.9	1,654.4
Operating profit/loss per employee, SEK '000	57.3	57.1	115.4	72.5
Average no. of employees	1,837	1,810	1,746	1,576
Other				
Net debt, SEK million	185.2	246.1	161.6	650.8
Adjusted net debt, SEK million [2]	185.2	246.1	161.6	220.7
Data per share				
Earnings per share, SEK [*]	4.19	2.07	6.57	16.36
Earnings per share, adjusted for one-off effect, SEK [*3]	4.35	2.98	6.68	–

*) Refers to both before and after dilution
1) Adjusted equity/assets ratio is calculated as recognised equity including interest-bearing liabilities to shareholders.
2) Adjusted net debt is calculated as interest-bearing liabilities excluding interest-bearing loans from shareholders minus interest-bearing assets.
3) Earnings per share, pro forma: Earnings after tax adjusted for non-recurring items and interest expenses for shareholder loan and preference shares.
Current tax is taken into account for all adjusted items. Divided by outstanding number of shares on closing date.

QUARTERLY DATA

THE GROUP	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Order bookings	925.2	698.3	829.6	812.5	577.8	609.7	780.7	864.7
Income statement								
Net sales	823.1	714.2	814.3	709.4	676.7	649.3	830.4	807.1
Gross earnings	137.4	116.8	140.7	109.7	92.7	92.3	128.7	132.9
Earnings before depreciation (EBITDA)	56.6	44.4	54.5	38.6	30.9	30.6	59.3	59.0
Adjusted earnings before depreciation (EBITDA)	60.6	48.6	70.1	38.6	30.9	30.6	59.3	59.0
Operating earnings (EBIT)	40.6	24.4	20.8	19.5	11.5	11.4	40.2	40.2
Adjusted operating earnings (EBIT)	44.6	28.6	51.4	19.5	11.5	11.4	40.2	40.2
Cash flow statement								
Cash flow from current activities	86.0	19.0	59.8	53.8	43.5	-83.7	62.5	50.1
Cash flow from investment activities	-39.7	15.2	-22.2	-27.5	-37.2	-28.7	-21.6	-22.9
Cash flow from financing activities	-28.0	-17.3	-44.0	-3.9	-1.4	39.2	-43.8	-4.2
Cash flow for the period	18.3	16.9	-6.4	22.4	4.9	-73.2	-2.9	23.0
Data per share								
Earnings per share, SEK *)	1.37	0.68	1.87	0.28	-0.70	0.15	1.20	1.42
Earnings per share adjusted for non-recurring items, SEK *) 3)	1.51	0.83	1.72	0.28	0.21	0.15	1.20	1.42
Number of outstanding ordinary shares								
Weighted outstanding ordinary shares, '000 *)	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2

THE GROUP	31-12-2013	30-09-2013	30-06-2013	31-03-2013	31-12-2012	30-09-2012	30-06-2012	31-03-2012
Balance sheet								
Fixed assets	809.6	733.0	732.1	708.0	705.0	713.5	701.1	702.8
Current assets	1,270.7	1,225.0	1,227.7	1,194.4	1,145.0	1,225.2	1,272.9	1,267.2
Equity	1,103.5	1,043.0	1,026.9	1,018.3	1,030.6	1,044.6	1,047.1	1,067.6
Non-current liabilities	249.6	273.1	252.2	274.8	272.4	275.6	243.5	246.2
Current liabilities	727.2	641.9	680.7	609.3	547.0	618.5	683.4	656.2
Other								
Net debt	185.2	229.1	222.1	227.4	246.1	250.4	132.8	135.6

THE GROUP, 12 months rolling	January 2013- December 2013	October 2012- September 2013	July 2012- June 2013	April 2012- March 2013	January 2012- December 2012	October 2011- September 2012	July 2011- June 2012	April 2011- March 2012
Order bookings	3,265.6	2,918.2	2,829.6	2,780.7	2,832.9	3,035.2	3,161.5	3,235.2
Income statement								
Net sales	3,061.0	2,914.6	2,849.7	2,865.8	2,963.5	3,089.7	3,144.3	3,096.0
Gross earnings	504.6	459.9	435.4	423.4	446.6	493.1	517.0	539.2
Earnings before depreciation (EBITDA)	194.1	168.4	154.6	159.4	179.8	210.7	240.7	260.7
Adjusted earnings before depreciation (EBITDA)	217.9	188.2	170.2	159.4	179.8	210.7	240.7	260.7
Operating earnings (EBIT)	105.3	76.2	63.2	82.6	103.3	135.2	166.9	188.0
Adjusted operating earnings (EBIT)	144.1	111.0	93.8	82.6	103.3	135.3	167.2	193.7
Employees								
Net sales per employee, SEK '000	1,666.3	1,617.4	1,580.5	1,591.2	1,637.3	1,690.2	1,707.0	1,718.1
Operating profit/loss per employee, SEK '000	57.3	42.3	35.1	45.9	57.1	73.9	90.6	104.3
Average no. of employees on closing date	1,837	1,802	1,803	1,801	1,810	1,828	1,842	1,802
Return indicators								
Capital employed, %	7.8	5.8	4.9	6.2	8.2	10.4	12.8	14.6
Adjusted return on capital employed, %	10.6	8.3	7.2	6.2	8.2	10.5	12.8	15.0
Equity, %	8.3	4.3	3.2	1.9	4.2	8.5	10.5	12.2
Adjusted return on equity, %	8.6	6.1	4.8	3.7	6.1	8.5	10.5	12.2
Other								
Net debt/EBITDA	1.0	1.4	1.4	1.4	1.4	1.2	0.6	0.5
Adjusted net debt/EBITDA 2)	0.8	1.2	1.3	1.4	1.4	1.2	0.6	0.5

*) Refers to both before and after dilution.

FINNVEDENBULTEN develops and manages industrial businesses, offering products, technical solutions and systems in metallic materials. The Group operates as a business partner to international customers in the engineering industry, primarily the automotive industry. FinnvedenBulten is structured into two divisions – Bulten and Finnveden Metal Structures – both with strong positions in their respective customer segments. Customers are mainly found in the automotive and engineering industries in Europe, Asia and the US.

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FINNVEDENBULTEN