

Micronic Mydata

ANNUAL REPORT 2013



Contents



A cost effective production

is necessary for the manufacturing of electronics products. Read about the Micronic Mydata offering to the SMT market on page 8.



Advanced display panels

is a requirement in hand-held electronics products. Read more about how Micronic Mydata enables this development on page 14.



Power of innovation

is necessary for sustainable and profitable operations. Read more on page 20.

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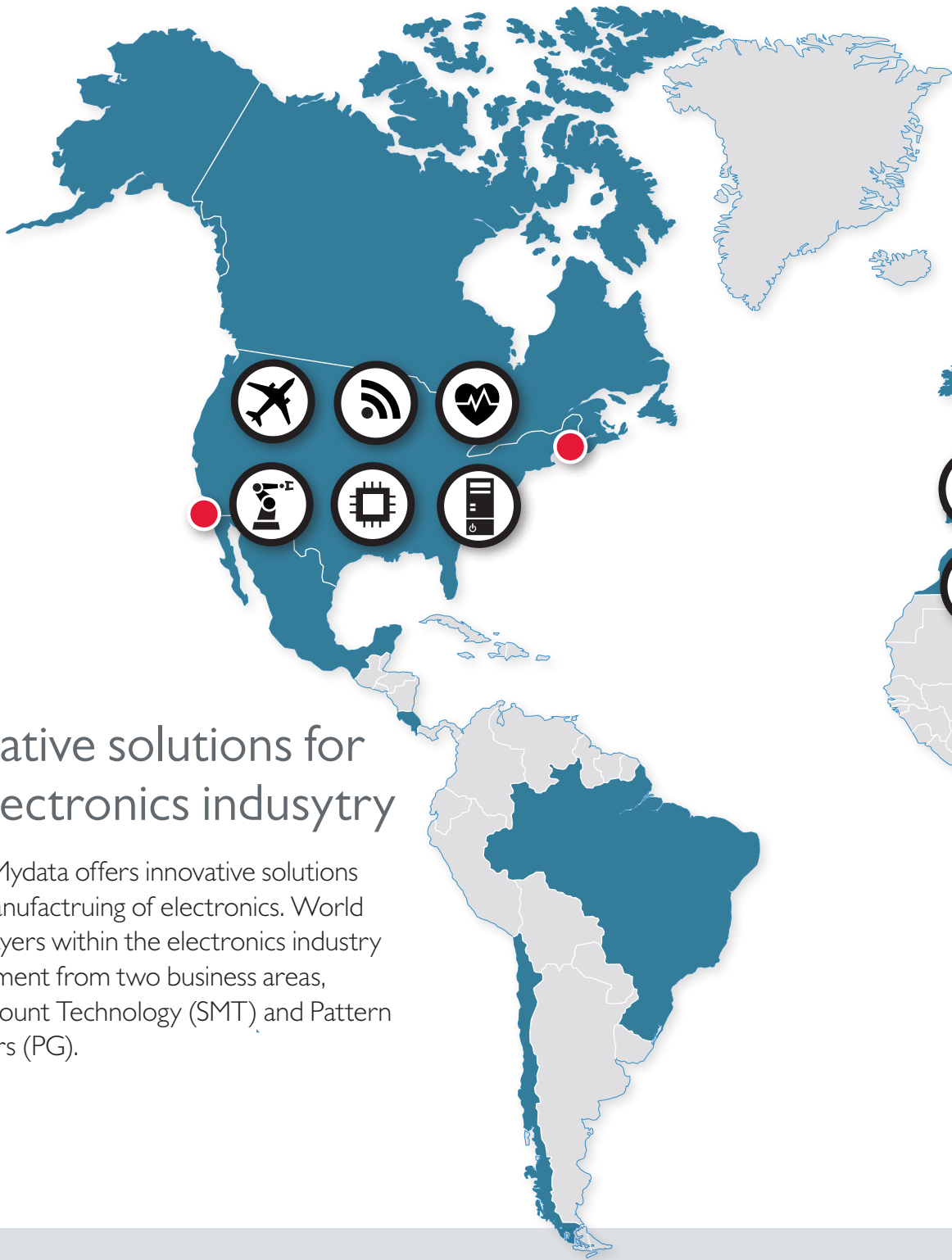
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Flap Financial and technical glossary

For information and explanations, please see glossaries in the back of the annual report or visit the web site www.micronic-mydata.com

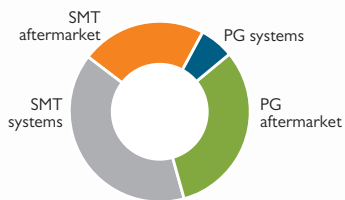
The annual report is in all respect a translation of the Swedish annual report prepared in accordance with Swedish laws and regulations. In the event of any differences between this translation and the Swedish original, the Swedish annual report shall have precedence.



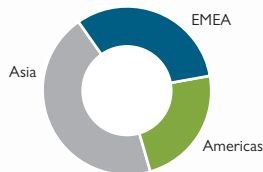
Innovative solutions for the electronics industry

Micronic Mydata offers innovative solutions for the manufacturing of electronics. World leading players within the electronics industry use equipment from two business areas, Surface Mount Technology (SMT) and Pattern Generators (PG).

Net sales 2013 by application

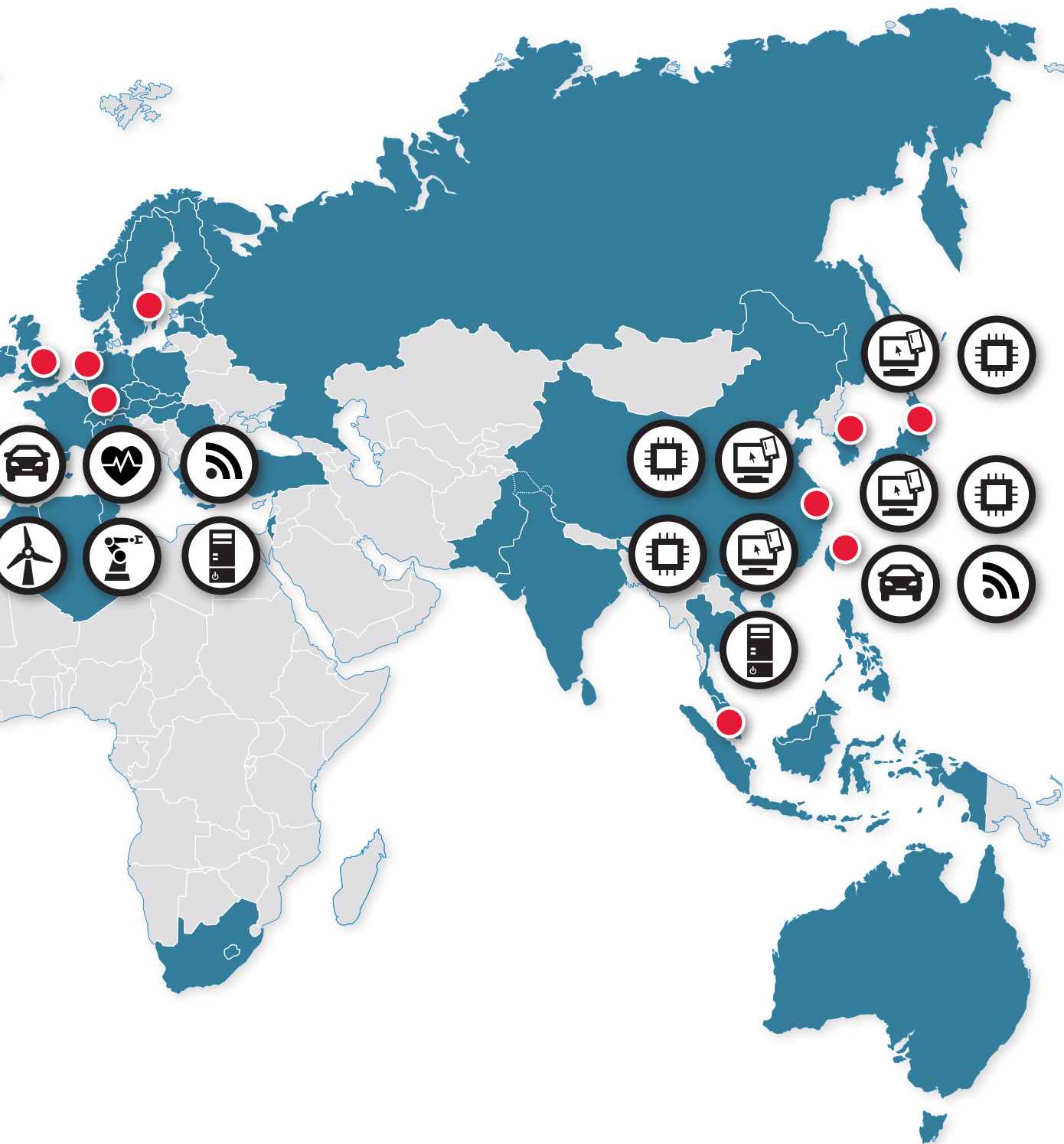


Net sales 2013 by region



Net sales 2013 by business area





Americas

Sales, service, demo- and application center

No of employees 53
Revenue 23%

EMEA

Sales and service

No of employees 56
Revenue 30%

Sweden

R&D, production, sales, service, demo- and application center, support units

No of employees 303
Revenue 2%

Asia

Sales, service, demo- and application center

No of employees 111
Revenue 45%



Aviation



Energy



Transport



Medical



Communication



Industry



Flat panel displays



Semiconductors



Computers



Micronic Mydata companies



Representation through agents and distributors

The symbols represent an overview of where different types of electronics products are produced globally.

The year in brief

The year 2013 was characterized by caution as regards investments in production equipment for the manufacturing of electronics. In this climate and with lower sales, Micronic Mydata realized major savings, maintained its gross margin level and reported a profit for the year.

Financial overview	2013	2012	2011	2010
Net sales, SEK million	997	1,354	1,198	1,288
Gross margin, %	44.8	45.2	40.8	49.2
Operating profit/loss, SEK million	32	-21	-66	73
Operating margin, %	3.2	-1.6	-5.5	5.6
Adjusted operating profit/loss, SEK million	32	107		
Adjusted operating margin, %	3.2	7.9		
R&D costs	183	290	289	318
R&D expenditure	203	269	251	247
Capitalized development costs	31	-	9	3
Order intake, SEK million	1,053	1,280	1,214	1,388
Order backlog, 31 December, SEK million	149	90	176	153
Earnings per share	0.14	-0.45	-0.91	0.45
Average number of employees	514	560	561	558

Vision

The business partner of choice, enabling the future of electronics.

Mission

We aim to be the market leader within our key segments across the globe. We continuously improve and develop innovative solutions, products and services to meet the changing needs of our customers. We do not compromise with our goal to deliver sustainable growth, profitability and shareholder value. We meet our challenging goals by engaging the passion and talent of people dedicated to deliver.

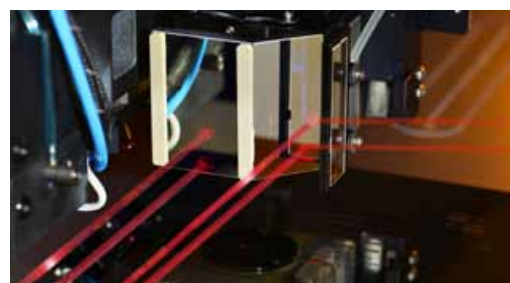


Business area Surface Mount Technology (SMT) offers production equipment and solutions for mounting components on circuit boards, an indispensable part in electronics products. One of the requirements is to be able to quickly switch production between different products.

The business area occupies a leading position within the segment for flexible electronics production.

By offering software, accessories and a wide range of aftermarket products, customer value is optimized.

Micronic Mydata's competitive advantages are a high degree of quality, innovative production technologies and flexibility.



Business area Pattern Generators (PG)

offers production equipment and solutions for manufacturing of advanced electronics products. There are two types of machines: mask writers and direct writers. Mask writers are indispensable for production of displays for tablets and smart phones, among other things. Direct writers offer cost effective manufacturing of substrates.

With a comprehensive aftermarket offering, customer value is optimized by ensuring reliable and efficient twenty-four hour production.

Micronic Mydata's competitive advantages are its leading edge technology and a strong patent portfolio.

Micronic Mydata's capability for continuous innovation is a prerequisite for growth

Micronic Mydata has a unique power for innovation that has given the company a strong position as a supplier within the highly dynamic electronics industry. By nurturing this capacity for innovation, we foresee good opportunities for profitable growth.

Our competitive product program

Micronic Mydata is a player within the electronics industry – a gigantic, global industry with annual sales of approximately 1,700 billion US-dollars. The electronics industry is technically complex, cyclical, sensitive to fluctuations in the economy and also highly competitive. In order to survive, a company must stay one step ahead of the competition, be able to interpret the market, understand customer needs and offer a competitive product program.

Even though Micronic Mydata is a small company in comparison to the international giants, we are a crucial link in a very important part of the market. Our equipment and systems are key components in the production of large TV screens, as well as the high-resolution displays that are used in smart phones, tablets and laptops.

Our unique power of innovation

During my first six months at Micronic Mydata, I have had the opportunity to meet with many of our customers. They confirmed my impression that our company has much to be proud of in terms of both our competencies and our products; something that is also confirmed by our customer surveys.

Micronic Mydata has many strengths. For example, we live and work close to our customers and maintain strong relationships with them. We also have a power of innovation that few other companies possess. This enables us to develop new products and services that help our customers advance. We must continue to nurture and develop this ability.

However, there is still much to do. We must continue to strengthen our position in the market by expanding our offerings in terms of both products and services.

I also see other areas for improvement to work on. We can become even better at operational excellence and obviously, we must become better at continuously identifying and implementing improvements. A high level of internal efficiency is

”

During my first six months at Micronic Mydata I met with many customers.

They confirmed my impression that we have much to be proud of, in terms of both competencies and our product offerings. ”

a key to competitiveness and to be able to achieve our goal of combining growth with profitability. With our product offerings, our market position and our knowledge, we see good opportunities to solve this equation.

Positive signals in a cautious market

The positive forecasts for market growth at the beginning of the year did not materialize. Nevertheless, Micronic Mydata was able to maintain its gross margin and show profit for the year and we implemented cost savings as planned.

Despite a high demand from consumers for almost all types of electronics products, our addressable market continued to be weak in 2013. The economic uncertainties made our customers hesitant to make new investments. Instead they maintained, and maximized the utilization of their existing production equipment. Our customers' primary concern is to stabilize their position and maintain profitability.

In the pattern generator (PG) business area, we saw a high degree of equipment utilization by our customers. At the end of the year, we received an order for two LRS15000 mask writers, a clear sign of this high utilization. It is also important that we develop a strategy to offer a cost effective way of replacing an aging installed base.

The overall market for surface mount equipment (SMT) has shown a continued decline since 2012. There were some positive signs at the end of the year, but we still don't know if this trend has bottomed out. We are well positioned for when growth returns. Our product program with the newly updated MY200 series that was launched in November, our logistics solutions – including what we call the tower - and jet printing technology form the cornerstones of the program.

We delivered what we promised

In a weak market, we have honored what we promised earlier and implemented the cost savings that we had decided on. We worked to improve our entire product offering and to strengthen our position in



the market. We are doing this by developing our brand, developing our products and services, and expanding our presence in the markets. We launched the MY200 series for mounting components and we continued the qualification work for direct write technology together with our partners. We continued working on a life cycle analysis for our products – a requirement for any industry that wants to ensure competitiveness.

At the same time, our aftermarket sales remain a stable and important business. A growing portion of our revenue is connected to a broad range of service offerings. This is a positive development, especially when the customer's degree of utilization is high. This ensures customer satisfaction, which in itself leads to increased sales.

Future need for miniaturization

We are hearing consistent information from

our customers within electronic packaging, in terms of the need for new production technologies for the manufacturing of advanced substrates. This is needed in order to meet the growing demands driven by an increasing degree of miniaturization. The exact time of such a technological shift is difficult to predict, but the development of LDI for direct writing allows us to offer this type of technology.

Our opportunities

To conclude, I find that we have come far during the year. Competence and the power of innovation are built into the DNA of Micronic Mydata. Our offerings in the form of production solutions and services are unsurpassed in terms of their technological edge. This, combined with the focused efforts that I have described, means that we have great opportunities for achieving success, both in a weak economy as well as in

a strong economy, which we know will come.

We have demonstrated that we have what it takes to compete in the global electronics industry. This is an ongoing effort requiring a high level of commitment both now and in the future. Therefore it is appropriate for me to give my warmest thanks to the employees, shareholders, partners, suppliers and of course our customers who all helped make Micronic Mydata a player to be reckoned with.

Now we look forward to 2014

Lena Olving
Lena Olving

Micronic Mydata – a global company in a global industry

The electronics industry is a large and global industry that is growing and constantly changing. In 2012, the industry had sales of USD 1,619 billion, and an average annual growth rate of 5 percent is expected to continue until 2017.

A dynamic industry

Development in the electronics industry is occurring at speed of light. Tablets, smart phones, ultrafast processors, apps, high-resolution displays, cloud services, Facebook and YouTube were just in their conceptual stage 10 years ago. Today, they are natural and important parts of our everyday life. The iPhone, which was launched by Apple in 2007, and the exploding market for apps, are good examples of this. Today in 2014, the average user checks their phone or tablet about 150 times a day. Facebook alone has over a billion users. We don't know which products, services and demands will drive development as we head toward 2020. But the companies that can create products meeting future needs that we as consumers cannot see today, will become important players.

The majority of consumer electronics are manufactured in Asia, where the consumer market is growing in line with increasing industrialization and improved living standards. In 2013, China became the largest market, both as a producer of and a market for consumer electronics. There is still extensive electronics production in Europe and the US, however it focuses mostly on low and mid volume production, primarily for various industrial applications.

Micronic Mydata, just like other manufacturers of production equipment, must be flexible enough to meet different types of challenges in a host of areas, both geographically and technically. Over just a few years, presence in the rapidly-growing Chinese market has become a key strategic issue for the Group.

Driving forces and challenges

Modern electronics has opened up opportunities that have radically changed lifestyles and attitudes. Every day, new areas of use turn up in telephones, computers, tablets, cars and kitchen equipment, in medical equipment and in industrial production facilities.

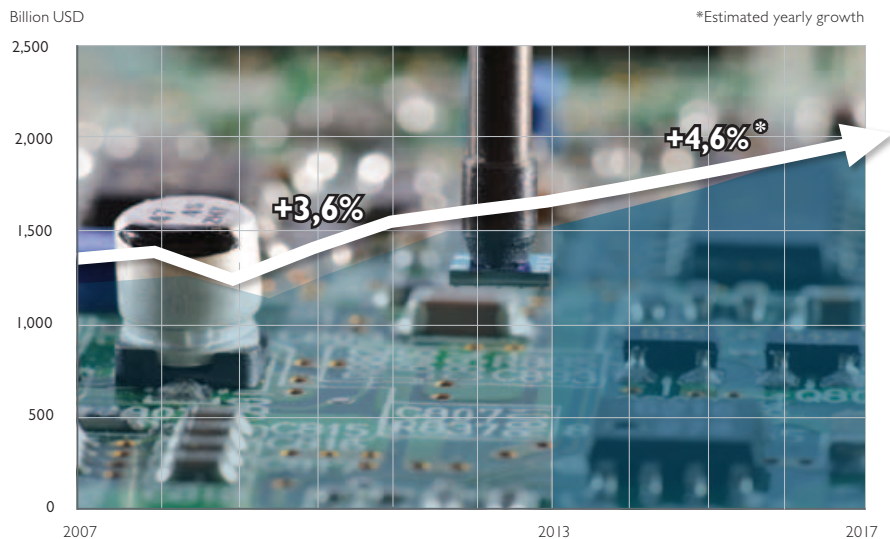
The electronics industry is a capital and development-intensive industry and there is widespread competition. The constant demand for new products, with more functionality and better performance than previous versions, places high demands on manufacturers. They must be able to meet an increasing technical complexity and to produce large

volumes while simultaneously offering production that is more tailored to individual customer needs. Production must be cost efficient and flexible in order to be quickly adjusted for new products.

For manufacturers of production equipment like Micronic Mydata, these are the needs that are driving the market and setting the requirements for increased innovation and customization.

Due to rapid development in the industry, both in terms of complexity and volume, suppliers of production equipment must be prepared to meet these challenges with efficiency and innovation.

Growth within the electronics industry



Micronic Mydata and the electronics industry

Micronic Mydata has a global presence within the electronics industry. Through its own companies and other distribution channels, the Group is represented in approximately 50 countries. Its customers include both large, global electronics manufacturers as well as smaller, niche manufacturers in terms of technology and market.

Micronic Mydata has a strong position and a well-known brand through the two business areas PG and SMT.

The two business areas provide different parts of the electronics industry with innovative production solutions. Pattern generators are sold in small volumes to fewer customers at a higher price. Equipment for surface mount of components are located higher up in the manufacturing chain within the electronics industry, closer to the end products, and is a volume product. The number of customers is large and the production needs vary widely. Together, these business areas will ensure long-term growth and profitability.

The installed base of machines is large, and the Group's customers depend on a high level

of accessibility to their production. In order to ensure customer value, Micronic Mydata is constantly expanding their aftermarket offerings. The result of this is stable and recurring aftermarket sales, which are growing in both volume and profitability.

The broad product portfolio means that Micronic Mydata is less dependent today on individual system sales and the growth of individual markets than previously. A well-defined product development strategy, together with a replacement strategy for aging machinery, will ensure long-term growth and success.

The need for new technology for creating advanced electronics has created opportunities for Micronic Mydata to address a new market segment. With direct writing, the company has developed a complement to mask writers.

Ensuring innovation

Micronic Mydata has challenges within a wide variety of areas. Often, this involves new technical requirements, new market segments, increased globalization, profitability and growth. The Group therefore keeps in close contact with markets and customers in order to constantly

predict changes in demand and customer needs, as well as in technological developments.

Being able to quickly adjust offerings to new conditions is the key to maintaining a strong market position in the long term and achieving profitability targets.

Another challenge is to profitably maintain leadership in innovation. In order to reduce risk-taking and costs, development work is geared toward using existing expertise and technology more systematically by means of Group-wide platforms and solutions. This approach allows the Group to meet challenges quicker and more cost-efficiently, and can take place in existing markets, or in adjacent and emerging markets.

It is also necessary to have access to motivated employees who are familiar with the market and the technology and who can create solutions for maximum customer benefit. Micronic Mydata is therefore continuously working to improve teamwork, leadership and competency development. In order to ensure a steady supply of expertise and simultaneously position Micronic Mydata's brand as an employer, activities are being held at both universities and research institutions.



Goals and strategies

Goals

- Profitable growth in existing markets
- Growth in adjacent markets/applications

Objective

- To strengthen our position as a global, technically advanced and profitable company

Tools

- Close and active contact with customers and industry players
- Innovation, competence and cost efficiency
- Competitive offerings in the form of solutions, products and services

Strategy SMT

- Local market presence which creates a broad customer base
- Leadership in terms of flexible production
- Complete offering with high quality

Strategy PG

- Expand our existing leading position through close collaboration with customers and partners
- Create solutions that meet the needs for production capacity and capability
- Direct writing, a complement to the mask writer business

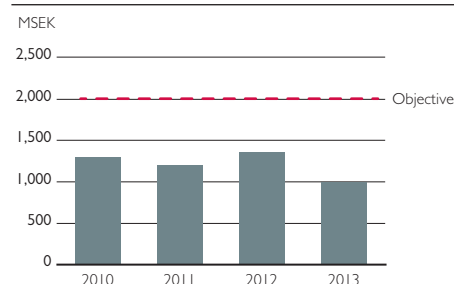
Financial objectives and dividend policy

During 2013 Micronic Mydata established new financial objectives, reviewed the capital structure and established a new dividend policy.

Micronic Mydata's business and strategy has undergone major changes since 2009. Objectives and requirements have changed.

The Board and executive management have therefore established new and relevant financial objectives during 2013 and, based on the strategy, estimated future need for capital.

Growth

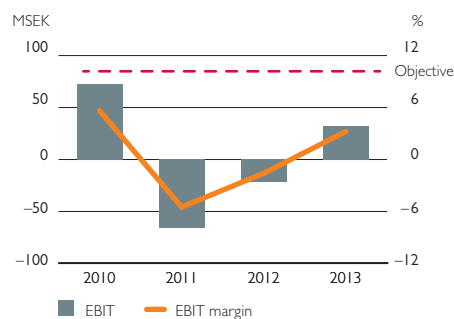


Consolidated net sales will reach SEK 2 billion at the end of the period covered by the business plan.

The Group aims to have approximately doubled net sales in the medium term. This can be accomplished through organic growth and acquisitions.

Organic growth can be achieved by further strengthening the existing business and by addressing adjacent markets and applications. A smaller proportion of growth is expected to come through acquisitions.

Earnings



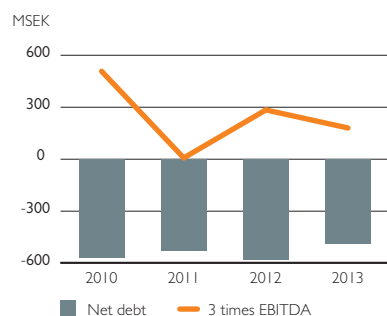
Over time EBIT will exceed 10 percent of net sales over a business cycle.

Profitability shall increase. The obvious approach is to increase revenue by developing existing products and through the introduction of new product offerings. At the same time, internal efficiency must increase. The company has ongoing programs to achieve this.

Consolidated operating costs have been reduced by more than SEK 60 million annually, which corresponds to 6 percent of net sales for 2013. Costs thus balance estimated sales volumes.

Through effectivization of processes, further cost savings can improve profitability in the long term.

Capital structure



Net debt will be less than 3 times the average EBITDA.

The above objectives allow the Group future expansion. Even after a proposed extra dividend, the Group maintains a strong financial position for current operations with those investments already underway within development.

In order to achieve the established objectives with regard to growth and profitability, the long term need for capital may change.

At year-end the Group had no liabilities. Cash and cash equivalents amounted to SEK 487 million, which is presented as negative net debt in the graph to the left.

Dividend policy

The objective of the company is to provide both good returns and value growth. Between 30 to 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt lower than 3 times EBITDA after stipulated dividend.

On each occasion the financial position, profitability trend, growth potential and future investment requirements of the company shall be taken into account

EBITDA: earnings before depreciation, amortization, interest and tax.

For needs in the electronics industry

Micronic Mydata develops and provides cost-effective and innovative production solutions for the manufacturing of electronics products. Micronic Mydata offers equipment to different parts of the manufacturing chain within the electronics industry.

Electronics products

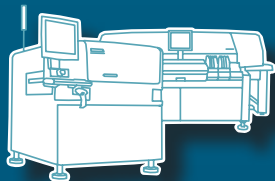


Production solutions, such as those offered by Micronic Mydata, are critical in the manufacturing of electronics products. The company delivers production equipment to parts of the electronics industry.

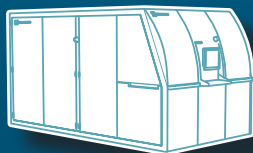
Electronics products manufactured with equipment from Micronic Mydata include computers, phones, internet routers, steering systems, medical devices and tablets among other things.

Micronic Mydata product offering

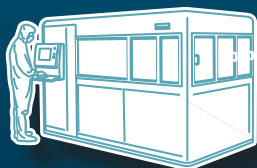
Surface mount equipment



Direct writer

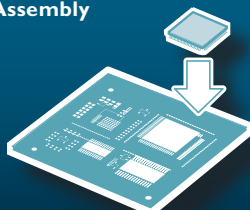


Mask writer



The manufacturing chain within the electronics industry

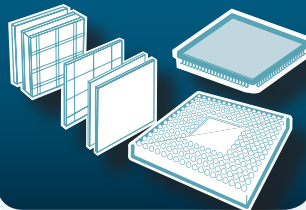
Assembly



The assembly of circuit boards is one of the steps in the electronics manufacturing chain. Components are mounted on various types of circuit boards creating the electronics of an end product.

Micronic Mydata offers production equipment for applying solder paste on circuit boards and for mounting components onto the circuit board.

Electronics components

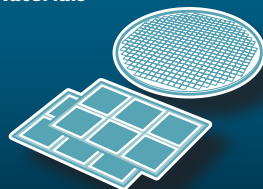


Electronics components create, after having been mounted on a circuit board, the electronics of an end product. The end product can be an integrated circuit (chip) or a display panel among other things.

In advanced electronics manufacturing a substrate is needed as an interface between the advanced chips and the less advanced circuit boards.

Micronic Mydata offers direct writers for the production of these substrates.

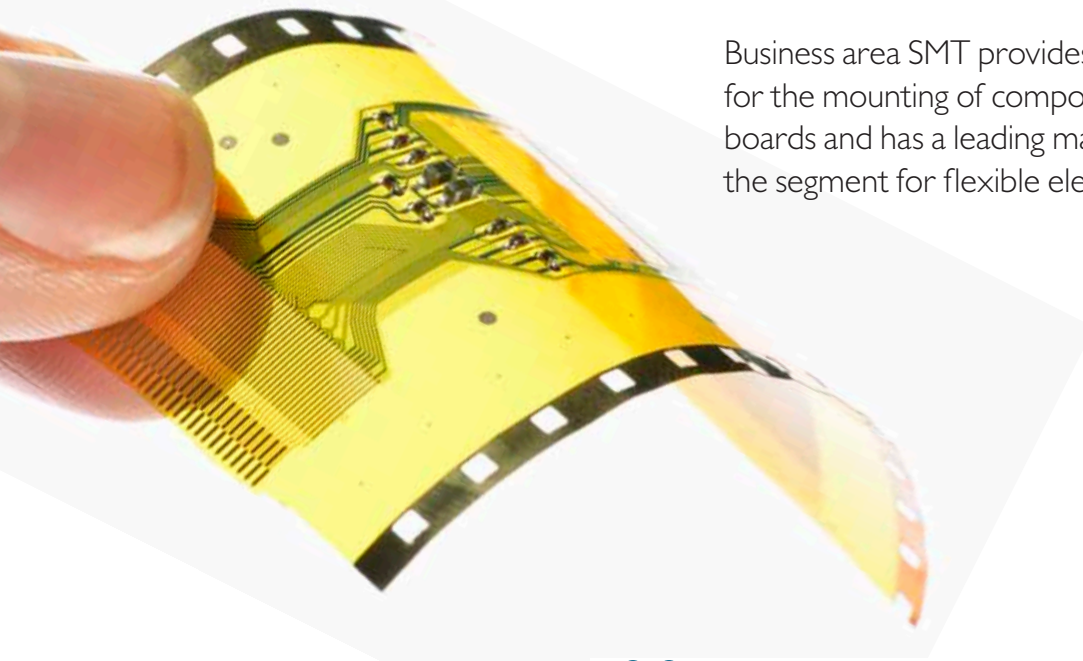
Materials



Photomasks are among the materials needed in the production process, and are made using mask writers developed and marketed by Micronic Mydata.

Photomasks are indispensable in the production of displays for TVs, smart phones and tablets.

Business area Surface Mount Technology (SMT)



Business area SMT provides production solutions for the mounting of components onto circuit boards and has a leading market position within the segment for flexible electronics production.

Electronics in our daily lives

Electronics products are used in a wide range of diverse applications, from the purely pleasurable to life-sustaining medical equipment such as pacemakers. As electronics get smaller and cheaper, and as functionality simultaneously increases, manufacturers of electronics are faced with ever increasing demands. Micronic Mydata has been developing flexible production solutions for the electronics industry for 30 years, solutions which make it possible to manufacture products that simplify and enrich our daily lives today and tomorrow.

The offering

Micronic Mydata offers surface mount machines, software, automated storage solutions and peripheral equipment that handle all types of components and circuit boards. For the application of solder

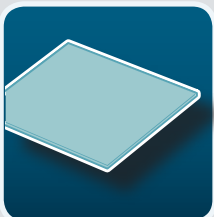
“ Our advantage lies in our ability to handle very small components. One hundred thousand of the smallest components can fit into a 1 ml measuring spoon. ”

paste on circuit boards, Micronic Mydata offers its own proprietary, non-contact technology called jet printing. Jet printing technology enables quick changeover between products, high production quality, and greater freedom for the designer to design circuit boards with specific requirements. The product portfolio offers electronics manufacturers a modern and flexible production solution with a high degree of utilization even in cases where batch sizes are small and many different products must be manufactured within a short period of time.

Customers

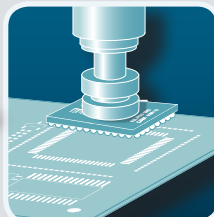
Micronic Mydata’s customers are found within the electronics industry, and are either contract manufacturers or manufacturers of their own end products. Customers range from small manufacturers to global electronics producers. Their spheres of activ-

Circuit board (PCB)



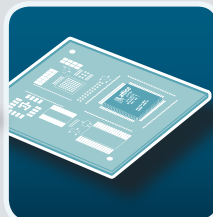
A digital design of the PCB is transferred to a machine program.

SMT assembly



Solder paste is applied to the PCB's contact areas. The PCB is then populated with components with micrometer precision.

The finished PCB



The finished PCB size varies and it can be equipped with anything from a few components up to several thousand.

Final assembly



The finished PCBs are delivered to a customer for electronics products manufacturing.

End product



The PCB plays an essential part of end products, such as pacemakers, cars or wind turbines.

ity include aerospace, aviation, energy, medicine, IT and telecom industries. What all these customers have in common is small- to medium-sized production volumes, where the circuit boards provide high value added. The customers are dependent on flexible equipment that can quickly switch between different products and handle advanced components with a high level of production quality.

The customers of Micronic Mydata manufacture a variety of products, are cost-conscious, and are constantly meeting challenges in the form of new types of components and circuit boards. They must provide high quality and a high level of service to their end users.

The majority of Micronic Mydata's customers are located in the US and Europe where there is a need for flexible and cost-effective equipment.

Objectives

Micronic Mydata continues to evolve its leading market position through development of the product portfolio and through growth in new markets.

Micronic Mydata shall optimize customer value through further development of its services, accessories, software and upgrades for the aftermarket.

Financial performance

In a weak, global market for SMT equipment, Micronic Mydata retained its market share. The global market declined 25 percent, while Micronic Mydata's sales declined 21 percent.

Machines for component mounting accounted for 83 (85) percent of system sales, while the jet printer MY500 for solder paste application accounted for 17 (15) percent. Aftermarket sales in local currencies were stable during 2013. However, sales were negatively affected by currency exchange effects in the amount of SEK 20 million.

EBIT was SEK 18 (106) million, corresponding to an operating margin of 3 (14) percent. The gross margin was negatively

affected by lower sales and negative currency exchange effects, while the operating margin was also affected by higher product development costs. Expenses for development increased by SEK 62 million, in accordance with the company plan for product development.

Product development was focused on improving customer productivity and on reducing customer operating costs. Some of the development efforts were executed in close cooperation with customers and suppliers. Micronic Mydata also collaborates with Swedish universities of Technology as well as research institutes.

Development costs were capitalized in the amount of SEK 31 million while previously capitalized development was amortized in the amount of SEK 7 million.

News from development 2013

During the autumn of 2013, Micronic Mydata launched a new series of surface mount machines, the MY200, which offers eight different machine models with different mounting speeds and capacities for component feeders. The new machine series is equipped with a newly-developed high-speed mount head with twice the mounting accuracy, as well as a new camera system for the inspection of components. This means greater production capacity for electronics producers, as an even greater number of components can be mounted at higher speeds.

Two new models of the automated storage tower for components were also launched. The new storage towers offer 20 percent greater storage capacity compared with earlier models without requiring greater floor area.

In order to further streamline customer productivity, new accessories were launched that enable the storage of the unique component feeder from Micronic Mydata, Agilis, pre-loaded with components in the storage tower. This completely eliminates the need to load and unload the component feeder when switching between products.

The market for SMT equipment

The electronics industry performed for the most part positively during 2013, and is expected to have grown 3 percent which corresponds to USD 1,671 billion (Prismark, March 2013).

The market for SMT equipment showed a negative growth of 25 percent in 2013. The total global market reached USD 1.9 billion (PROTEC MDC, January 2014). The global market for equipment for application of solder paste also experienced a negative growth of 19 percent. The weak performance is the result of weaker growth on the semiconductor market in 2012.

The semiconductor market is a part of the electronics industry and affects demand for SMT equipment. When volumes of semiconductors rise, more equipment is needed to place these semiconductors on circuit boards. In 2013, the semiconductor market is estimated to have grown 5 percent compared with 2012 to USD 306 billion (Prismark, December 2013).

Demand for SMT equipment normally follows the semiconductor market with a delay of about two quarters. The new generation of surface mount machines, with higher production capacity and mounting accuracy than its predecessors, leads to an increased size of the addressable market. This is because the technology has now become more interesting for longer production series within the automotive industry, for example.

Market drivers

The total capacity requirement within the electronics industry is affected by how the market develops. Consumers place high demands on new products and expect higher performance at a lower price. To meet these demands and deliver high quality products, the electronics industry needs flexible equipment that offers a high production capacity with the required quality.

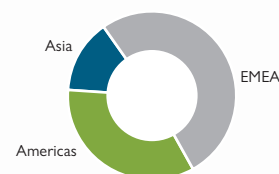
A clear trend is visible within the electronics industry in the demand for automated pro-

Business area SMT	2013	2012
Net sales, SEK million	618	778
Order intake, SEK million	594	734
Gross margin, %	41	43
Operating profits/loss, SEK million	18	106
Operating margin, %	3	14
R&D costs, SEK million	107	85

SMT net sales 2013 by application



SMT net sales 2013 by region



duction solutions that provide a higher degree of flexibility. This enable the production of the correct amount of circuit boards within the required time frame. This minimizes the excess stock in production, and simultaneously makes it possible to offer many different products with short lead times.

No technology shifts are expected within the foreseeable future that would lead to significant changes in the production process. However, miniaturization of electronics products is driving development towards ever smaller components and circuit boards with higher packing density.

Three primary requirements drive investments in systems for surface mounting – increased production capacity, introduction of new production technologies, and the need to replace older equipment.

Market players

In the SMT market, there are roughly ten players of various sizes and with different geographic coverage.

Within the high-mix segment where Micronic Mydata is principally active, there are a few smaller players such as Europlacer. Within the market for consumer electronics using equipment for high volume production, a number of major manufacturers dominate. These include ASM Siplace, Fuji, Panasonic, Samsung and Yamaha.

Within the stencil printing segment, there are a number of players who offer the traditional processing method of stencil printing, one being DEK.

During 2013, some consolidation took place in the SMT equipment market. Two Japanese manufacturers, Sony EMCS Corporation and JUKI, announced their intention to merge into a new company. ASM, who acquired the German manufacturer of surface mount machines, SIPLACE in 2010, announced that it intends to take over DEK and include its operations in the company ASM Assembly Systems.

Did you know ...



... that our intelligent feeder Agilis has the market's shortest loading times. An important feature in change-overs between products.

Market position

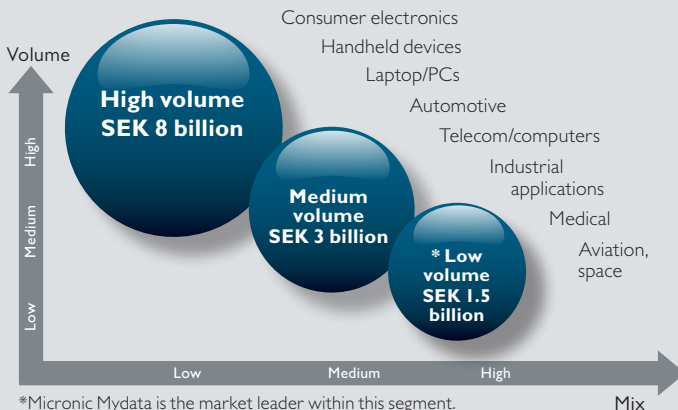
Micronic Mydata is a market leader within the segment for flexible electronics production. The company offers surface mount machines which can handle all types of components and circuit boards. The equipment is designed to enable efficient and flexible electronics production, with high levels of quality and with the market's shortest change-over times. Besides providing flexibility, products from Micronic Mydata minimize the need for operator intervention. For the customer, this means shorter lead times and lower manufacturing costs.

For solder paste application on circuit boards, Micronic Mydata has a unique offering with its non-contact jet printing technology. This technology solves many of the challenges that electronics manufacturers are facing today. One example is the possibility of customizing the amount of solder paste needed for specific electronic components, producing optimal solder joints that allows for reliable end products. Jet printing technology is also fast and applies solder paste on the fly, and is therefore viewed as an interesting alternative to dispensing technology.

Today there are approximately 4,500 SMT machines installed at more than 2,000 customer sites, and over 90 percent of sales from the business area are exports.

Within the electronics industry, a trend can be discerned in the demand for automated production solutions. Even in countries like China, where a large proportion of the consumer products in the world are manufactured in long series, there is currently an increased demand for more flexible and automated production equipment. One area of major focus at the moment is streamlining of material handling as the number of components moving into and out of production lines is increasing. It is here that the automated storage tower offered by Micronic Mydata, fulfils an important function by quickly and simply providing the right components at the right time, thus ensuring a high level of productivity regardless of the production environment.

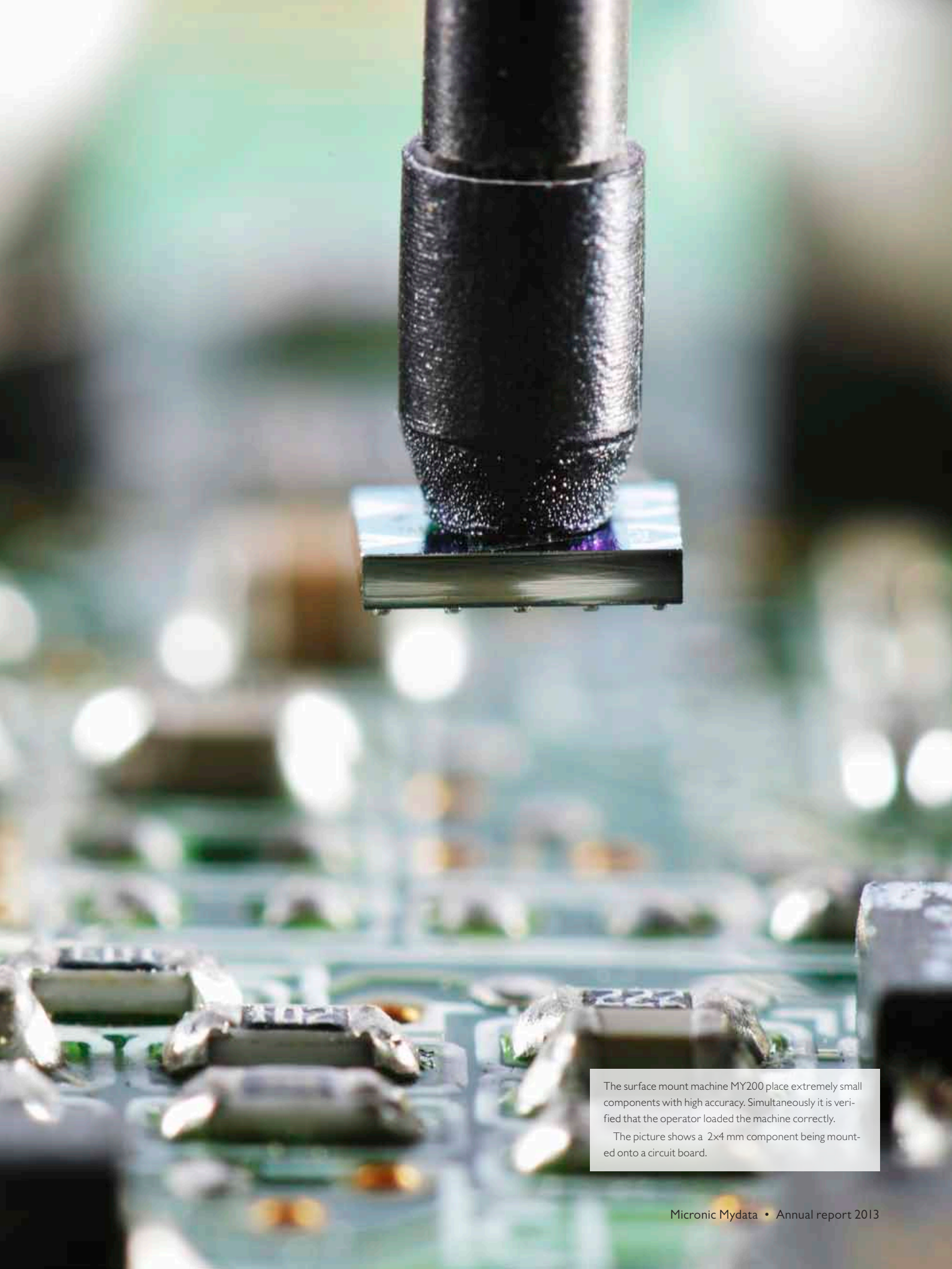
World market SMT, SEK 12.5 billion



The global market for SMT equipment includes systems for applying solder paste, mounting components and inspection equipment. The market is divided into three segments depending on the volumes being produced. Within the high volume segment for example, large volumes of consumer electronics are produced.

Within the low volume segment, lower volumes of circuit boards for special applications are produced. Fewer circuit boards of each type are produced, which necessitates quick production switches between products. Micronic Mydata is a market leader within this segment.

Many market players within the various segments are moving towards more flexible manufacturing.



The surface mount machine MY200 place extremely small components with high accuracy. Simultaneously it is verified that the operator loaded the machine correctly.

The picture shows a 2x4 mm component being mounted onto a circuit board.



Modern electronics production requires short lead times for changeovers between different products. The required number of circuit boards must be delivered when needed. This minimizes excess stock and contributes simultaneously to offering many different products with short lead times at the lowest possible manufacturing cost.

In this production environment, thousands of changeovers take place per year and production line, and there are hundreds of thousands of stock movements.

It is necessary to ensure that the right materials are available at the right time in order to avoid production stops.

Micronic Mydata offers a complete solution with flexible production equipment for mounting components and applying solder paste, intelligent component feeders and automated storage towers, and advanced software. Together, these products minimize changeovers between products and simultaneously maximize productivity.

For Micronic Mydata, this trend creates opportunities for growth in new markets. During 2013, sales from the business area increased in China. The company is continuing its investment in Asia and plans to further strengthen its presence in China.

Aftermarket

SMT equipment is a central part of the production process. This means that customers are demanding products and services that ensure high availability and a reliable process.

The aftermarket, with products such as service and maintenance, training, upgrades and accessories, forms an important part of the business. The business area operates its service and aftermarket sales through the Swedish company and local subsidiaries. Additionally, there are around 70 distributors and agents in the global sales and service organization. Support and service is handled by technicians at some 30 service centers around the world. These in turn receive support from applications centers in Sweden, Singapore and the

US, which also provide global support round-the-clock directly to customers.

Micronic Mydata offers service agreements with varying content, from basic machine maintenance to agreements which include spare parts, training and software upgrades.

As new technologies are constantly being introduced into the production process, there is an ongoing requirement to modernize machinery. Micronic Mydata offers upgrades and accessories which make it possible for the customers to keep up with this technological development.

The technological life time for most systems is relatively long and it is not unusual to find machines that are ten years old or more. The oldest systems are generally utilized for products with less demanding technical content.

To increase demand Micronic Mydata continued to develop its aftermarket offerings during 2013. Aftermarket sales in 2013 represented 36 percent of the business area's total sales.

Market Outlook

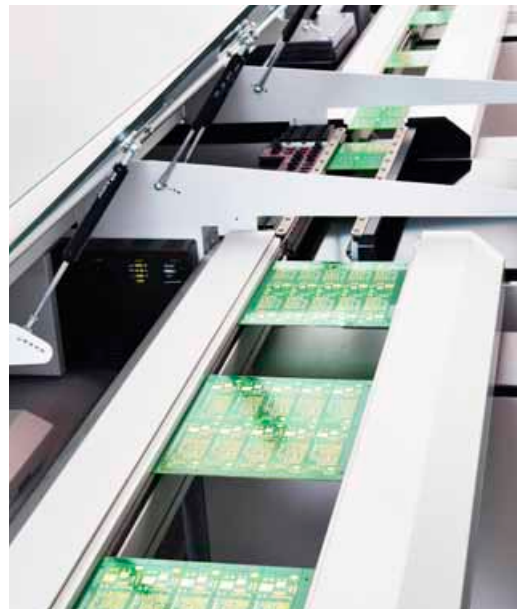
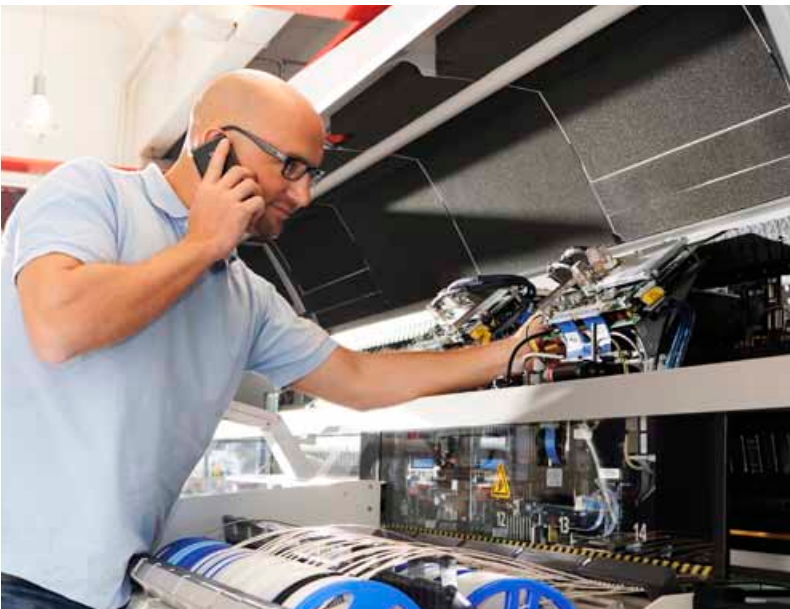
The global market for SMT equipment declined in 2012 by 20 percent, a trend which continued during 2013 with a decrease of 25 percent. The market situation for the business area in 2013 was weak because of the global trend, but with favorable developments in China and in some European markets.

A negative trend being experienced by leading system manufacturers in the electronics industry, set against an emerging positive trend within the semiconductor market, makes it uncertain to assess the global demand for SMT equipment. This also affects Micronic Mydata's ability to assess market development.

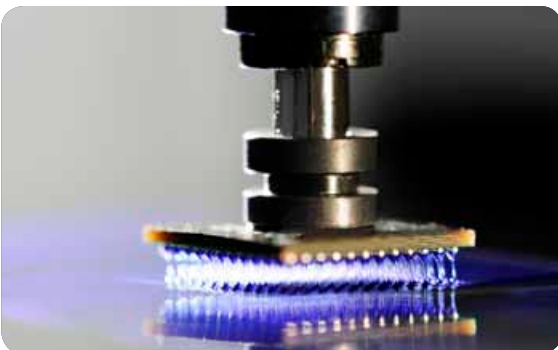
Micronic Mydata strengthened its market position during the year in the segment for flexible electronics production. With its updated product portfolio, the company can offer flexible production solutions to customers who have higher demands on mounting speed.



The high speed mount head in the picture is a vital part of the Micronic Mydata surface mount machine, placing up to 14 components per second.



Did you know ...



... that one thousand interconnects on a modern processor are inspected in a fraction of a second. It is accomplished by an advanced camera system.

The optimal mounting position is simultaneously calculated before the processor is mounted on the circuit board. All this to secure the quality of the end product.

Business area Pattern Generators (PG)

Business area PG develops, manufactures and markets production machines that are essential in the production of flat panel displays among other products. Micronic Mydata's pattern generators contribute to the development of new electronics products by continuously offering improved performance that makes new, more advanced displays possible.



Today's consumer electronics

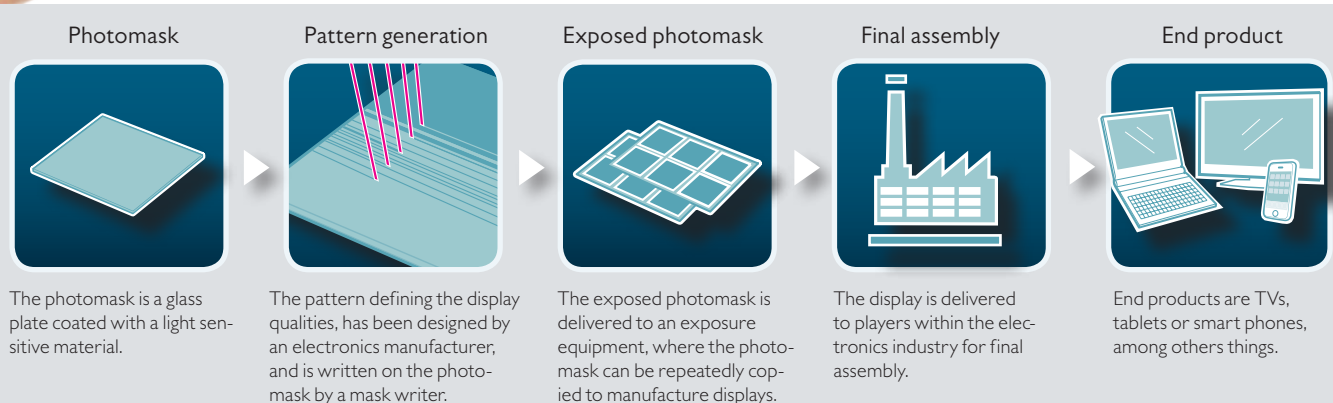
Smart phones, tablets, laptops and flat TVs have become an integral part of our daily lives. Development is driven by consumer demand for products that utilize less energy, are thinner and offer better performance. Manufacturers also drive development through their efforts to reduce costs and differentiate themselves. This in turn places additional requirements on the machines manufactured by Micronic Mydata.

The offering

Micronic Mydata offers two types of pattern generators – mask writers for the manufacturing of photomasks and direct writers for the manufacturing of substrates. The offering includes complete systems, service and peripheral products.

Customers and the installed base

The business area has some thirty customers. The largest customer group is manufacturers of photomasks for different types of display applications for smart phones, tablets and TVs. Display industry customers include companies such as DNP, Hoya, LG, PKL, SKE and Supermask. Other customers are leading electronics manufacturers such as Intel and Samsung. In most cases, display manufacturers purchase their photomasks from specialized suppliers who are Micronic Mydata's main customers. Other customers are display



and electronics manufacturers with their own photo-mask production. In total, Micronic Mydata has delivered over 150 machines, of which approximately 120 systems are in operation today.

Objectives

Micronic Mydata's objective is to maintain its strong position in the market for pattern generators by offering production solutions meeting the requirements of today and tomorrow. Micronic Mydata shall also expand customer value in the installed base of machines by continuously developing its aftermarket offering. Aftermarket comprises service, upgrades and peripheral products.

The direct writer LDI (Laser Direct Imaging) complements the mask writer business.

Financial performance

Sales reached SEK 379 (576) million and included 1 (3) system. The lower sales volume is the result of fewer pattern generators being sold, as well as negative currency exchange effects. Aftermarket sales, on the other hand, increased in local currencies and also improved in terms of profitability.

The gross profit of SEK 191 (276) million corresponds to a margin of 50 (48) percent. Maintaining the gross margin during a year of low sales can largely be explained by the effective aftermarket business, and as a result of the cost savings implemented during the second half of 2012. EBIT reached SEK 21 (-91) million without the sales of a major mask writer.

Development costs declined from SEK 200 million to SEK 72 million, as development for the direct writer LDI decreased.

Development efforts during the year

Micronic Mydata engages in projects for technology development and product development. Technology development has a long term strategic focus and aims to ensure that the company remains on the cutting edge of technology. Product development aims to offer customers innovative and cost-effective products.

The demands on packaging technologies increase over time in the manufacturing of certain electron-

Did you know ...

... that our most advanced mask writers are capable of writing more than 20,000 parallel lines in a square this small!

ics, and this will entail a technology shift. Micronic Mydata has developed the direct writer LDI which meets customers' future requirements for new production equipment. During the year, Micronic Mydata has collaborated with various customers to ensure that the LDI machine is adapted to the requirements for volume production of substrates. Qualification processes are still ongoing. Micronic Mydata has also invested in preparations of the technology that will be needed in the mask writer products of the future. The trend towards higher resolution in all types of displays means that requirements on photomasks, and thus mask writers, are continuing to increase. Performance must improve in order to achieve cost-effective production and to make possible new, more advanced displays.

A significant portion of the development effort went into supporting the installed base at customer sites by developing new solutions that ensure effective maintenance of these systems, thus creating high value for the customers.

The market for displays

Micronic Mydata's largest market for mask writers is the display market. In 2013, the display market is estimated to have grown 3 percent to USD 129 billion (DisplaySearch, January, 2014). After several years of negative profitability, manufacturers reversed the trend in 2013 and almost all display manufacturers are expected to report a profit for 2013.

In practice, essentially all displays are manufactured in Asia. In recent years, new LCD plants for manufacturing large displays have been built primarily in China, while established manufacturers have focused on smaller, high resolution displays. Expansion in China depends in part on Chinese imposition of duties on imported displays and on dramatic growth for displays in the domestic market. Both Chinese and foreign manufacturers have therefore invested in new facilities in China, often in cooperation and joint ownership with the Chinese authorities.

Business area PG	2013	2012
Net sales, SEK million	379	576
Order intake, SEK million	459	546
Gross margin, %	50	48
Operating profit/loss, SEK million	21	-91
Operating margin, %	6	-16
R&D costs, SEK million	72	200

PG net sales 2013 by application



PG net sales 2013 by region





The picture shows a mask writer for display applications. The photomask substrate, a glass plate up to 1.6x1.8 meters large, is put on the large black table.

Displays are becoming increasingly complex. This leads to a decline in productivity in the manufacturing process. The most critical step in the manufacturing process is when the pattern design from a photomask is imaged upon the substrate that is a part of the finished display. The photomask is the template for all the designs that will be included in the finished display. One way to increase productivity is to improve the image quality of the photomask.

Micronic Mydata's unique capacity to write pattern designs on a photomask with rigorous accuracy enables high levels of productivity.

The trend toward more complex displays for hand-held electronics drives the demand for continuous improvement of the photomask image quality.

The significance of displays for today's electronics products

Displays are often the most expensive component in a smart phone or tablet. As components become smaller and thinner, handheld electronic devices become more and more synonymous with a display in the eyes of the user. Thus displays are becoming an increasingly important component in manufacturers' attempts to differentiate their products.

Therefore, the development trend toward displays with higher resolution continued during the year, and many manufacturers of smart phones launched products with significantly higher resolution. The Samsung Galaxy S4 was introduced, with the most advanced AMOLED display ever manufactured. High resolution tablets have quickly become the standard and UHD TV devices are about to make a breakthrough. UHD is

a new resolution standard with significantly higher resolution than any previous standard.

Several manufacturers are planning to increase their production of so-called flexible displays. The concept 'flexible' includes curved, bendable as well as completely foldable displays. In 2013, TV devices and smart telephones with curved displays were launched.

Driving forces within the display market

The development and manufacturing of new types of displays led to a continuous stream of new requirements on the photomasks used in their manufacture, and thus on the mask writers produced by Micronic Mydata. Mask writers are essential for the manufacturing of all displays.

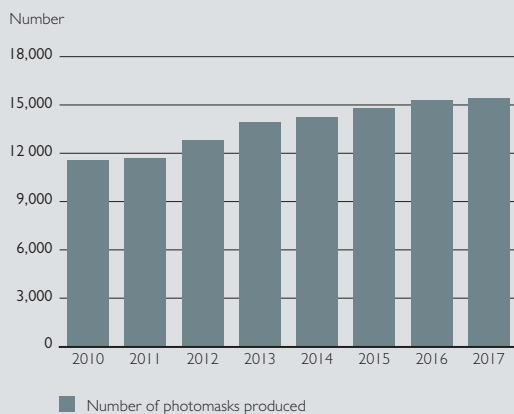
Consumer demand for thinner, lighter

and cheaper products, combined with demand for displays with higher resolution and longer battery life, are the market drivers for displays. At the same time, competition is fierce. Because display manufacturers live in such a competitive world, Micronic Mydata can, by offering equipment with better performance, create opportunities for customers to decrease production costs and develop new, advanced products.

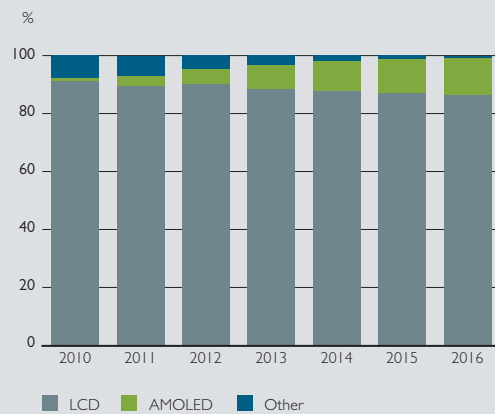
Industry demands – more complex photomasks

Regardless of the manufacturing technology, approximately ten photomasks are currently required to manufacture a flat display. With a set of ten photomasks, a manufacturer can produce an unlimited number of a particular type of display, because the photomasks are not consumed during the manufacturing pro-

Number of photomasks



Display sales divided by technology, %



Source: DisplaySearch, January 2014

cess. On the other hand, changes in the design of a display, for example in its size or application area, require an entirely new set of photomasks. Display market drivers in turn lead to increased demands on photomask manufacturers, i.e. Micronic Mydata's customers.

Photomasks are becoming more complex, driving an increase in write times. The trend toward an increasing number of product variants creates a requirement for an increasing number of photomasks, which in turn contributes to a higher degree of utilization of mask writers. The increasingly complex manufacturing processes also place higher demands on photomasks to keep the production yield at an acceptably high level.

The fact that manufacturers use two different technologies for display manufacturing – LCD and AMOLED – also contributes to the need for a greater number of photomasks, as each technology requires a unique set of photomasks. In other words, dual techniques contribute to a higher degree of utilization of mask writers.

Demands on productivity in display manufacturing lead to manufacturers using larger photomasks, which means longer write times.

These requirements are what drive the market for Micronic Mydata.

The market for mask writers for display applications

Development toward more advanced displays means that it takes more time to produce each photomask, and at the same time, the total volume of photomasks is increasing. Together, this creates a market for mask writers.

During 2013, the situation for the customers of Micronic Mydata changed. The excess capacity experienced by photomask manufacturers previously is gone, and instead there is rather a lack of excess capacity. Prices for photomasks have thus stabilized and the degree of utilization of the installed base of mask writers has been high throughout 2013. The improved market situation has resulted in improved profitability for all photomask manufacturers.

Did you know...

... that displays corresponding to 20,000 soccer fields were manufactured in 2013 – with photomasks written on equipment from Micronic Mydata.

Market position

Micronic Mydata has a strong position in the market for mask writers for display applications. All manufacturers of flat displays are currently using photomasks produced on Micronic Mydata's mask writers.

Micronic Mydata offers mask writers intended for manufacturing the most demanding of photomasks, as well as photomasks for mature, or less demanding, applications.

Customers are dependent upon stable production and to a great extent sign service agreements on the machines. Peripheral products developed by Micronic Mydata also contribute to an increase in customer value, which in turn results in an increase in aftermarket sales for Micronic Mydata.

Market outlook

The display market is expected to grow at the same pace in the coming years as in 2013, with an average growth of 3 percent annually (Display Search, January 2014).

Investments within the display industry are estimated at just over USD 6 billion for 2013, a substantial increase compared to USD 3 billion in 2012. Investments are expected to remain at 2013 levels in the coming years.

Investments in display manufacturing are taking place primarily in China where new LCD plants are being built, and in capacity for the manufacturing of AMOLED displays. Investments in China are mainly in capacity and do not drive investments for advanced photomask production. AMOLED display manufacturing requires more advanced photomasks but is still at low volumes. This contributes to Micronic Mydata's customers showing a cautious approach to investments in new equipment for photomask manufacturing.

The market for electronic packaging

Electronic packaging is a part of the manufacturing chain for electronics products and serves two

High quality displays

High quality flat displays are based on two different technologies – LCD and AMOLED. Both LCD and AMOLED displays depend on photomasks written on mask writers from Micronic Mydata.

LCD

Almost 90 percent of all screens are based on LCD technology (DisplaySearch, September 2012). Manufacturing processes have improved continuously and manufacturing costs have fallen.

AMOLED

AMOLED has gained a foothold, especially when it comes to smart phones.

An AMOLED screen is more simply constructed than an LCD, which can mean lower manufacturing costs. Thus displays in the future may be more power efficient, thinner and provide better image quality than an LCD display can. The technology offers better conditions for the manufacturing of flexible displays, on which many manufacturers are focusing.



functions – to protect the chip, and to act as an adapter that connects the contact points on the chip to the contact points on the circuit board. For more advanced packaging technologies, a microcircuit board called a substrate is used for connection.

Mask writers

The greater part of today's substrate manufacturing for electronic packaging is accomplished through traditional lithography, where the pattern is transferred to the substrate via photomasks. Micronic Mydata is an established supplier of mask writers for these applications and another player in the market is Heidelberg Instruments.

Direct writers

Micronic Mydata offers systems for direct writing, meaning that the pattern is transferred directly to a substrate without the use of photomasks.

Direct writers which transfer the pattern without using photomasks have gradually become established as a standard for the manufacturing of circuit boards. Several manufacturers that have experienced success with direct writing for the production of circuit boards are currently trying to establish the technology within advanced substrate manufacturing. Some of these players are Fujifilm, Hitachi Via Mechanics and Orbotech.

The manufacturers of advanced substrates have high requirements for flexibility, productivity and stability. Micronic Mydata has developed a direct writer which addresses these requirements. The system is based on an innovative technology that gives the user unique advantages, especially as regards the critical alignment between the layers of the substrate.

The introduction of direct writing for substrate manufacturing requires a technology shift, which will in turn require rigorous qualification processes for the equipment utilized. Qualification of the technology developed by Micronic Mydata is underway.

Developments in the market for computers, where the emphasis has shifted from PCs toward

Did you know ...

... that every day more than five million displays for mobile phones are manufactured!

hand-held devices such as tablets and smart phones, has meant that the technological requirements within electronic packaging are developing at a slower pace than previously assessed, which has in turn led to weaker demand for direct writers.

It remains difficult to forecast when the demand for production equipment for direct writing will take off.

Aftermarket

The customers of Micronic Mydata depend on mask writers that can be utilized around-the-clock. High levels of availability are always in focus. The company's subsidiaries are responsible for service, customer support and sales.

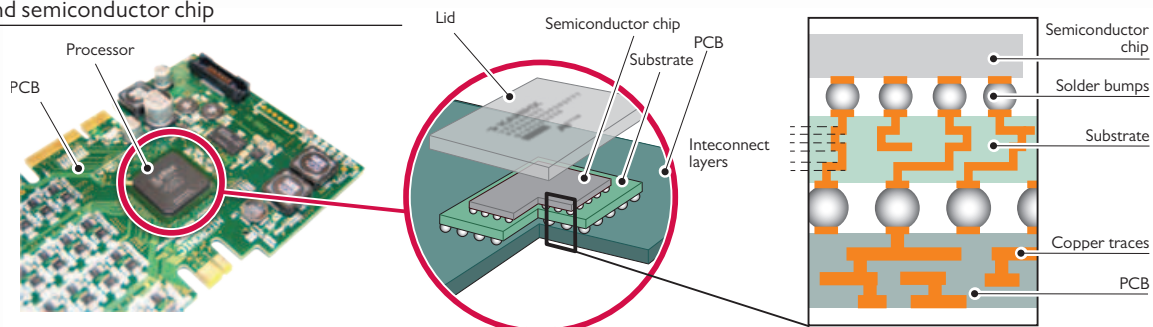
The basis for aftermarket consists of servicing-mask writers. The competition between photomask manufacturers is hard, but delivery precision, short lead times and high product quality provide competitive advantages. Approximately 90 percent of the customers have signed service contracts.

The trend toward more advanced displays, and a high degree of utilization of mask writers at customer sites, also drive investments in systems already installed.

Micronic Mydata is working to provide replacement systems for the installed base of mask writers. Machines are becoming increasingly difficult to maintain as many were delivered more than ten years ago.

In 2013, the aftermarket business accounted for 83 percent of turnover for the business area, and this can be explained by the low level of system sales.

PCB and semiconductor chip



Micronic Mydata's LDI writes the interconnect layers on the substrate. The substrate connects a semiconductor chip with the circuit board (PCB). The chip on the circuit board can be mounted in a tablet, smart phone or in a computer.



The mask writers are placed in a cleanroom, an environment free from particles that can cause defects on the photomask. The operator wears special clothing to keep the area free of particles.



Flexible/bendable displays

There are several forces driving the trend toward flexible, or bendable, displays.

Consumers want durable, unbreakable displays in their hand-held electronics products, and a design that stands out.

Manufacturers want to differentiate themselves and offer something that no one else has. Flexible displays open up for completely new application areas.

Long-term commitment

The electronics industry is characterized by rapid technological development. Innovation is the key to long-term growth and profitability. Investing in employees is an important factor in success.

Innovation – for leadership

Innovation is often defined as the ability to create new things, to leap forward in terms of development. There is a long Swedish tradition of innovation. Micronic Mydata is a part of that tradition and has demonstrated its capability in a number of areas, from jet printing to direct writers.

But the ability to create new products is not based just on technical competency. Innovation can also be the ability to identify needs early on and to adapt to changes in the market,

or to be able to see and combine different ideas which together create value for a customer. Therefore, innovation often appears in the boundaries between different markets, technologies or needs, and can just as well involve many small steps as large jumps.

Micronic Mydata requires a capacity for innovation in the sense of the capacity for continual renewal. The Group strives to encourage employees to actively seize opportunities and development paths for technical applications in different markets and for different customers.

Micronic Mydata is active within the global and dynamic electronics industry. The market is characterized by extremely rapid technological development, where end customers are constantly asking for new, smaller and lighter products with more functionality and higher capacity.

For electronics manufacturers, this involves a constant demand for cost-efficient and reliable production. As demand and customer behavior patterns change production needs to be able to quickly adjust. For Micronic Mydata,



Carl During, Head of the Mechatronics Group at Micronic Mydata and an adjunct professor at KTH.

Working together on competency and networking

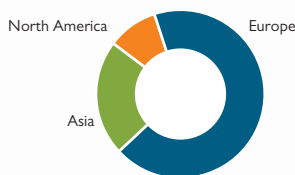
Access to world class technical competency is key for Micronic Mydata's long term success. The right expertise is needed to develop the systems and solutions that customers are demanding. Working in close cooperation with colleges and universities of Technology is one of the most important ways to ensure access to expertise and understanding in terms of the latest technical innovations. One example is the collaboration with the Royal Institute of Technology in Stockholm (KTH).

"We have been collaborating with KTH since 2008. It is exciting when the corporate world meets the research world, which benefits both parties," says Carl During, Head of the Mechatronics Group at Micronic Mydata and an adjunct professor at KTH.

"We get access to new competence and simultaneously build important relationships with researchers and students. This helps us in recruiting the right people. The colleges and universities gain a greater understanding of the industry and what the actual technological needs are", explains Carl During.

"In a project with KTH, we worked on methods within the field of mechatronics, one of the areas where we have an important core competency. Mechatronics integrate mechanics, electronics and software to create the best possible performance in a system. Precision mechatronics is of particular interest to us, where we work with measuring and positioning systems. These systems are highly important for developing Micronic Mydata's future products", concludes Carl During.

Employees by region



Employees by function





this means that the Group must have sufficient technical competency and the financial resources to develop new products and solutions that meet the customers' needs. Taking a technological leap can be challenging and costly. The customers are willing to embrace new technology if uncertainties are known and limited.

Innovation – for customer needs

Micronic Mydata must decide in which areas and in which way it will take advantage of their innovative capacity. Innovation is not just a question of technology. It also equally involves the ability to quickly adapt to new conditions and the ability to predict customers' future needs.

Innovation – for growth

Micronic Mydata strives to grow with its existing customers and with new customers in adjacent or new market segments. The Group will

do this by taking advantage of its unique expertise and its existing products in new combinations and applications, while always focusing on the benefits to the customer. Changes in industry and technology, new business models or partnerships should likewise be considered as new opportunities for strengthening the capacity for developing new approaches. Micronic Mydata has historically had a strong ability to solve problems. A clear definition of what the term innovation stands for creates challenges, but also opportunities for development, both for the organization and for the individual employee.

Our employees – innovative strength

In Sweden, where development, production and management functions are collocated, Micronic Mydata has about 300 employees. An additional 200 employees work in the subsidiaries in Asia, the US and the rest of Europe, since the majority of the customers

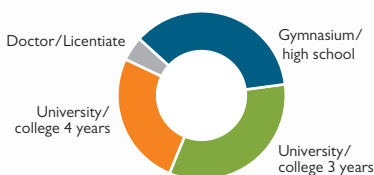
are located in these regions.

To maintain its market leading position, Micronic Mydata needs competent employees and leaders who understand and can predict customer needs and trends, who understand each other's cultures and markets and who simultaneously have deep technical competency and innovative capacity.

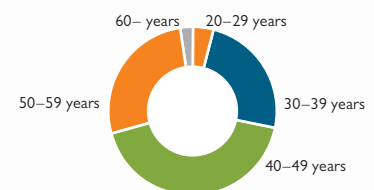
Investing in employees is an important part of being and remaining a profitable, competitive and sustainable company. The electronics industry, where technological developments occur at a lightning speed, places high demands on all employees. This requires good leadership, the opportunity for personal development, good working conditions and a work environment that fosters innovation.

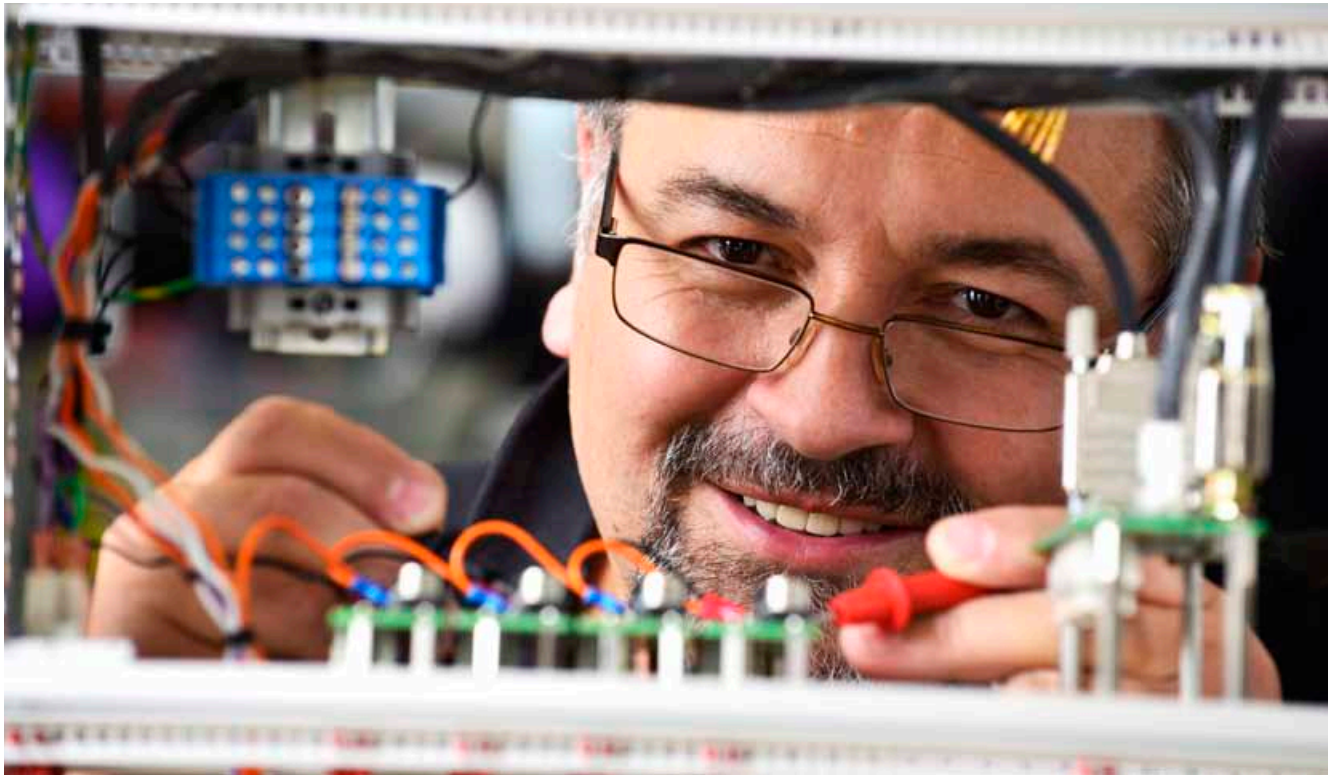
Prior to 2013, a number of focus areas were established for the Group with the objective of creating an attractive workplace in order to attract and retain employees. The areas covered included a strong leadership

Level of education



Age structure





culture, clear communications and well-defined objectives and strategies.

During 2014, development work continues to focus on four areas in order to create a more effective organization and an improved work environment:

To attract, develop and retain the right competency

Micronic Mydata is working intensively on a number of activities for students at technical colleges and universities. For example, Micronic Mydata participated in IVA's practical training program, *Tekniksprånget* (The Technical Leap), employment fairs and inspirational seminars. The company also expanded its activities in terms of mentoring regular projects and final graduating projects at the college level.

Micronic Mydata will be using social media to a greater extent in order to communicate with important target groups, primarily students.

The activities described will help the Group to strengthen its brand in the coming years in order to remain an attractive employer.

A structured and long-term global plan for developing and ensuring competence is a key component. Introducing clear career paths for experts, project managers and other leaders continues. Each employee has an annual dialogue that forms the basis for an individ-

ual career development plan. The personal career development plan makes use of the competence and potential of each employee in order for the Group to achieve its business targets and to ensure continued personal development.

Strengthening and developing leadership and collaboration

Good, well-functioning leadership provides the foundation for engaged, motivated and innovative employees and is therefore important in terms of the work environment. After recent year's leadership training, the next step is to design a common, global leadership model for the Group. The intention is both to create clear expectations for the organization's management and to create a basis for identifying, appointing, evaluating and developing leaders in order for the company to achieve its goals. In 2013, an Employee Day was introduced for the Swedish operations. The goal is to create individual employee awareness about how they can make a difference in their daily work.

Building a company with a common culture "One Global Company"

Efforts are underway to strengthen the common corporate culture based on the Group's three core values, "Passion for Technology", "Passion for Business" and "Passion for People". This is necessary for both the company

and its employees to experience continued, successful growth.

These efforts to strengthen the common culture include systematic work to develop standardized processes and work procedures. Key indicators will enable follow up of the efficiency within all parts of the operations.

Increasing diversity within the Group

Micronic Mydata understands the term diversity in a broad perspective, including gender, nationality and ethnic background. In 2013, the focus was on increasing gender diversity. By the end of the year, 19 percent of the employees were women. The percentage of women managers in 2013 increased from 16 to 27 percent in Sweden. In 2014, efforts to foster diversity will be intensified by expanding it to all companies within the Group.

Safety

Micronic Mydata works constantly to systematically improve workplace health and safety. This is done in order to prevent the occurrence of injuries by offering training, clear instruction and procedures for handling, e.g. laser sources. No serious incidents occurred during the year.

Quality creates competitive advantages

One of the greatest competitive advantages for Micronic Mydata is the ability to deliver innovative solutions and products that meet cus-

tomers' needs. This places high demands on technical competency and market knowledge, as well as on innovative and cost-efficient solutions. This also means that Micronic Mydata must maintain the highest level of quality in everything, from development and production to the accurate execution of installations and service. The Quality function supports the effort to spread Quality concepts and methods throughout the organization.

In 2013, efforts focused on reducing the number of cases in the case management systems and creating better follow-up. The established lean-method is used, where continuous improvements are implemented in small steps. A common model has been introduced for product development. This model includes clearly defined roles as well as a steering model. Considerable emphasis has been placed on increasing visibility so that employees in different projects can track the current status. The expected results include shorter turn-around times, reduced administration and increased profitability in the long run.

In 2014, the global effort to create more standardized processes and more systematic work methods will continue, as well as to improve feedback from customers to the case management system.

Fewer and more refined processes provide

better options for review and follow-up. Standardized processes create the basis for a learning organization.

Micronic Mydata also strives to reduce the number of platforms for software programs, electronics and mechanics. Fewer platforms and increased reuse of different designs reduces risk and provides faster industrialization of the products, more efficient production, lower costs and higher quality.

The service organization plays an important role in the quality work. The most important thing for the customer is reliability - the uptime of the equipment - which places high demands on both competence and the supply of spare parts. A service operation that is focused on quality assurance is a key competitive advantage and Micronic Mydata has worked for many years on certifying its service personnel.

The environment

Micronic Mydata's production activities have low environmental impact, and production is not affected by the EU directives regarding manufacturer responsibility or phasing out hazardous substances. The potential negative environmental impact consists primarily of emissions in conjunction with the transport of equipment and personnel, but balancing

this, the products offered by the Group allow for more energy-efficient displays to be created for different applications.

When developing new products, environmental aspects are considered both in terms of production and the product's actual life cycle. The Group is also not obligated to reclaim any of the old products.

Patents protect strategic solutions

Patents and license agreements are of critical importance for Micronic Mydata. By the end of 2013, the Group had been granted a total of 422 patents, of which 35 were granted in 2013. Patents are needed to ensure the rights to solutions and applications that can be future sources of income.

Therefore, Micronic Mydata has an ambitious and long-term strategy of identifying and protecting their solutions and also performing ongoing intellectual property analyses on various business opportunities.

All investments in patents and licenses are made for business reasons.



Corporate Governance at Micronic Mydata

Micronic Mydata AB is a Swedish public company listed on NASDAQ OMX Stockholm. The company has complied with the Swedish Code for Corporate Governance since 2005. The report has been prepared by the Board of directors and reviewed by the auditors.

The AGM

The AGM is the company's highest decision-making body. At the AGM, shareholders exercise their voting rights in accordance with Swedish legislation and Micronic Mydata's Articles of Association. Every share carries one vote.

The AGM elects the board of directors and auditor, approves the consolidated financial statement, decides on the disposition of earnings, and decides on discharge from liability for members of the board and the CEO. The AGM decides on compensation for board members and auditor fees, and establishes guidelines for remuneration of senior executives.

Nomination committee

The AGM decides how the nomination committee is appointed. The nomination committee consists of three members representing the three largest known shareholders at the end of August and the chairman of the board, for a total of four members.

The composition is announced latest six months before the AGM. The nomination committee draws up proposals for the AGM regarding election of the meeting chairman and remuneration of the board of directors, the chairman of the board and auditor. The nomination committee presents its work at the AGM. The nomination committee receives no remuneration.

Board of directors

The board of directors has the overall responsibility for the company's organization and administration. The board monitors company operations, ensures appropriate organization, and establishes guidelines and internal control. The board establishes strategies and business plans, and makes decisions on major investments. The board's responsibilities are regulated by the Companies Act and the procedural plan.

According to the Articles of Association, the board shall consist of at least three and at most ten members, and no more than two deputies. The current board consists of six members elected by the AGM, and two union representatives appointed by Unionen. The AGM appoints the chairman of the board to lead the board's work.

Audit committee

Every year the board appoints an audit committee consisting of three board members. The majority are independent. The audit committee has no decision-making authority and reports to the board.

The committee is tasked with ensuring the quality of the financial reporting. This includes reviews of critical accounting and valuation issues, and examination of the company's financial reports. The audit committee is the primary contact with the company's external auditors and meets with them regularly. The audit committee evaluates the audit work and assists the nomination committee with recommendations for nomination of the auditor and fees for audit services. The audit committee determines which non-audit services the company can procure from the elected auditors. Certain meetings between the audit committee and the external auditors take place with no company employees present.

6 May 2013

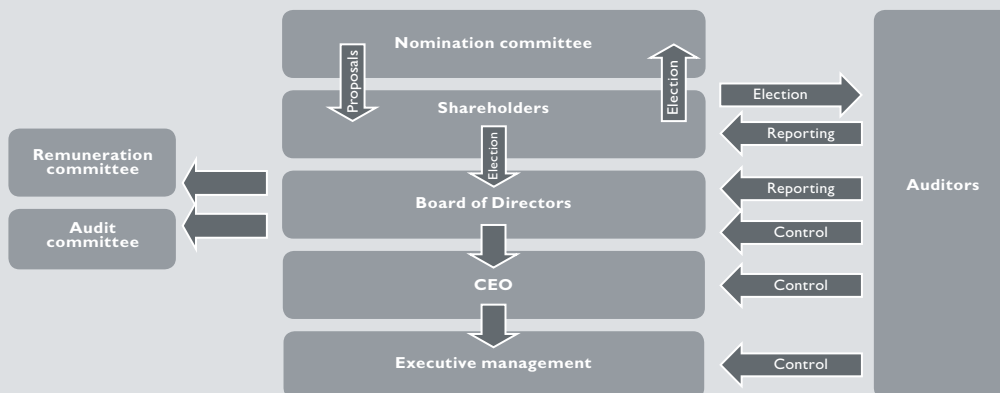
The AGM was held in Täby. 46 percent of total shares were represented.



Remuneration committee

Every year, the board appoints a remuneration committee which consists of three board members. The remuneration committee has no decision-making authority and reports to the board.

The committee's task is to make recommendations for salary, other remuneration and employment conditions for the CEO. The committee also draws up proposals for guidelines for remuneration and employment conditions for other senior executives and subsidiary presidents, and suggestions for incentive programs. The remuneration committee ensures compliance with established guidelines for remuneration of senior executives.



Corporate governance defines the decision-making system through which the owners, directly or indirectly, control the company. The Code is followed in order to ensure transparency vis-à-vis the Group's stakeholders, to steer the company toward established objectives, and to clarify the division of responsibilities between the board, management, and control bodies.

Corporate Governance at Micronic Mydata

Micronic Mydata complies with the Swedish Code for Corporate Governance (the Code). The Code is based on the principle of “comply or explain.” The Code is available at www.bolagsstyrning.se. Corporate governance defines the decision-making system through which the owners, directly or indirectly, control the company. Management, leadership and control is divided between shareholders, the board of directors, the CEO, and Group executive management, in order to ensure transparency vis-à-vis the stakeholders and to steer the company toward established objectives. The internal steering processes consist of a vision, mission, business concept, business strategy, and an annual business plan with clear objectives. The company’s corporate values and Code of Conduct also help lay the foundation for internal corporate governance.

External regulations

Corporate governance is based on Swedish legislation, primarily the Companies Act, and NASDAQ OMX’s regulation for share issuers, as well as other relevant regulations and guidelines.

Internal regulations

The internal regulations which form the basis for corporate governance include the Articles of Association, the board’s procedural plan, CEO instructions, policy documents such as finance policy, authorization policy and communication policy, and the Code of Conduct.

Deviations from the Code

In 2013, Micronic Mydata complied with the Code in all respects.

Corporate governance in 2013 AGM

At the AGM held on 6 May, 2013, 46 percent of the shares were represented. All board mem-

bers were present, as was the CEO, CFO and the company’s auditor. The usual matters were dealt with at the AGM, including re-election of board members Patrik Tigterschiöld, Magnus Lindquist, Katarina Bonde, Anders Jonsson, Eva Lindqvist and Ulla-Britt Fräjdin-Hellqvist. Patrik Tigterschiöld was elected chairman of the board. The audit company EY was elected as the auditor, with Heléne Siberg Wendin as senior auditor.

Nomination committee

The composition of the nomination committee for the 2014 AGM was announced on 22 October, 2013.

The nomination committee conducts an annual evaluation of the board and its work. Thereafter, the nomination committee puts forth proposals for a new board which are submitted in connection with the notice to attend the coming AGM.

Board of directors

Six board members were elected at the AGM and serve until the next AGM concludes. In addition, Unionen appointed two union representatives to serve on the board.

Board remuneration

The 2013 AGM decided on a total fee for board members of SEK1,500,000 for the period until the next AGM concludes. Of this total fee, SEK 500,000 is the chairman’s fee, and SEK 200,000 is the fee for each of the other board members elected by the AGM. In addition, remuneration in the amount of SEK 50,000 was approved as a fee for the chairman of the audit committee.

Board organization and work practices

The Board is the highest decision-making body of the company. The board works according to a procedural plan. The purpose is to ensure that the board is well-informed and that all board issues are addressed. The procedural plan

describes the division of responsibilities between the board and the board committees, as well as between the board and the CEO. As per the procedural plan, the board decides the strategy and budget, adopts the annual report and other external financial reports, key policies and authorization instructions, appoints the CEO and evaluates the performance of the CEO, adopts rules for internal controls and monitors how the internal controls work, decides on major investments and agreements, appoints the audit and remuneration committees, and evaluates the board’s work practices. The board monitors that guidelines decided on for remuneration of executive managers are followed, and suggests guidelines for remuneration to the AGM.

The chairman leads the work of the Board. The chairman also represents the company in shareholder issues. At the 2013 AGM, Patrik Tigterschiöld was elected to the position of chairman of the board.

Board meetings are prepared by the chairman together with the CEO. Prior to each board meeting, board members are provided with relevant material. Certain items are prepared by the audit and remuneration committees. Reoccurring items include reviews of the business situation and the financial reporting. Board meeting minutes are recorded by the CFO.

Evaluation of board performance

The board evaluates its performance annually. In 2013, an external evaluation was conducted. The results were presented to the nomination committee prior to its task of proposing board members at the 2014 AGM.

The Board’s work in 2013

The board held 13 meetings, of which one was statutory and one was held via circulation.

Every regular meeting dealt with the business situation and the financial reporting. The audit and remuneration committees

Nomination committee

Name	Representing	Holdings at August 31, 2013, %
Henrik Blomquist	Bure Equity	38.0
Ulf Strömsten	Catella Fonder	3.9
Annelie Enquist	Skandia Fonder	2.8
Patrik Tigterschiöld	Chairman, Micronic Mydata	

presented their work and put forth questions requiring decisions. In addition to reoccurring items, issues dealt with included appointment of a new CEO, a decision on appointment of a new auditor, establishment of strategy and the business plan, decisions about investments within research, development and the product development program, which included a shift in resources towards business area SMT. The board has also established new financial objectives and a new dividend policy.

Committees

Audit committee

The board appoints an audit committee consisting of three board members. At least one of the members holds auditing or accounting competency. Members of the audit committee are Magnus Lindquist (chairman), Katarina Bonde and Eva Lindqvist. The audit committee met five times during 2013. Parts of the audit committee's meetings take place with no employees present and without the external auditor. During 2013, the audit committee's work included preparing for the election of a new auditor.

Remuneration committee

The board appoints a remuneration committee consisting of three board members. Members of the remuneration committee are Patrik Tigerschiöld (chairman), Anders Jonsson and Ulla-Britt Fräjdin-Hellqvist. The remuneration committee met three times during 2013.

Audit

The auditor is elected at the AGM. At the 2013 AGM, EY was elected as auditor for the period up to the 2014 AGM, with Authorized Public Accountant Heléne Siberg Wendin as senior auditor. During 2013, the auditors conducted reviews of one interim report. Audit of

the annual accounts and the consolidated accounts, as well as of the administration of the board of directors and CEO are conducted in accordance with International Standards on Auditing and generally accepted Swedish standards. The external auditor meets with the audit committee regularly and with the entire board annually.

CEO and Executive management

Executive management consists of seven persons, led by Chief executive officer Lena Olving who was appointed to the position as of 15 July, 2013. Lena has a Master's degree in Engineering from Chalmers. She has many years of experience from leading positions, both in Sweden and internationally. These include Executive management at Volvo Personvagnar AB, CEO at Samhall Högland AB and COO at SAAB AB (publ).

The CEO leads the work of executive management, and executive management makes decisions jointly. The CEO is responsible for keeping the board informed of developments in the company. Executive management meets every week. Three times per year, senior management from the global organizations meet in order to strengthen consistency in how the company is managed throughout the entire Group.

Financial reporting and information

Micronic Mydata provides current information on developments within the company and its financial position in accordance with the established communication policy. Information is provided in the form of interim reports, annual reports, and press releases in connection with significant events which can affect the valuation of the company. In connection with interim reports, presentations are given for financial analysts, investors and media. In addition, the company's management

meets financial analysts and investors at other external and internal events. Information which is distributed through financial reports or press releases is also available on the company's website, together with other information deemed valuable for the stakeholders.

Micronic Mydata conforms to the so-called silent period rule, where the company holds no meetings with investors or analysts for 30 days prior to the publication of interim reports.

Report on internal control regarding financial reporting

The internal control consists of processes and methods to limit the risk of significant errors in the financial reporting and thus ensure the accuracy of the financial reporting. Internal control is created and maintained by the board, management and employees. Micronic Mydata describes internal control based on the control environment, risk assessment, control activities, information and communication, as well as monitoring.

Control environment

The foundation for a good control environment is built with the help of the organization, decision-making procedures, and proper authority and responsibility as expressed in policies and guidelines for all levels. Common corporate values create consensus and strengthen the internal control. Micronic Mydata has a Code of Conduct which describes how employees should conduct themselves with regard to business ethics and social issues. Steering documents have been prepared in the form of a procedural plan for the board and its committees, and in instructions for the CEO. The board establishes certain policies, including the authorization policy. Executive management consists of managers for both business areas, managers for research and development, operations and man-

Presence and remuneration for Board members elected by the AGM

Name	Elected	Independent ¹⁾	Holdings	Presence		Remuneration	
				Board	Audit committee	Board	Audit committee
Patrik Tigerschiöld, Chairman	2009	no	–	13/13		3/3	500,000
Anders Jonsson	2011	yes	63,836	13/13		3/3	200,000
Magnus Lindquist ²⁾	2007	yes	–	13/13	5/5		200,000
Katarina Bonde	2010	yes	2,000	12/13	5/5		200,000
Ulla-Britt Fräjdin-Hellqvist	2012	yes	10,000	13/13		3/3	200,000
Eva Lindqvist	2012	yes	–	11/13	5/5		200,000

1) According to the Swedish Code of Corporate Governance

2) Chairman of the audit committee

agers for various central functions. Development, sourcing and production are conducted mainly in Sweden, where operations are ISO certified. Finance and the controller function support the organization in streamlining the efficiency of its operations. Responsibility for creating processes with a high degree of internal control is assigned to the head of each department. Evaluation of internal control is conducted according to a plan which is approved annually by the audit committee.

Risk assessment

The company has a process for risk assessment to ensure that those risks to which the company is exposed are managed. A review of risk areas from a broader perspective is conducted in conjunction with the annual strategy work. Business processes are evaluated in terms of effectiveness and risk. The most critical business processes, and the most significant values, are found within the Swedish operations.

A risk assessment is conducted annually of those risks which affect internal control as regards financial reporting on the basis of impact and probability. This assessment is conducted at Group and company level. Risks are graded and linked to processes. Critical processes include development, sourcing, production, sales, and installation, as well as support processes such as financial closings and IT. Processes for administration of salaries and pensions are also considered critical and included in the evaluation. Risk assessment also includes the risk of irregularities.

The risk for significant errors or deficiencies

in the financial reporting are reported to the audit committee.

Control activities

Control activities aim to prevent, detect and resolve discrepancies. The control structure is built on established powers, roles and responsibilities, and management's ongoing review of financial information. Control activities may be automated and built into IT systems, for example, access structures. They can also be manually conducted, for example double checks when making payments. Recurring analysis of results complement daily controls. The controller function, which consists of controllers within both business areas and operations, is an essential part of the control structure.

Information and communication

The board and executive management have established information and communication channels to ensure complete and accurate financial reporting. Internal communication channels include a quality system, intranet, monthly newsletter and regular meetings at various levels within the Group. During 2013 work continued to develop analysis tools and the information system. Micronic Mydata's communication policy regulates communication with external parties, including the financial market.

Monitoring

Micronic Mydata has no separate audit function for internal auditing. The board has determined that monitoring of the internal control

shall be conducted through self-assessment. Which processes are evaluated is decided following a risk assessment. The processes are documented and assessed according to identified risks and controls. Self-assessment means that each respective department evaluates its processes. The work methodology involves employees and increases understanding for the importance of internal control. Responsibility for developing processes lies within each respective unit. Every year at the request of the board, an external assessment of certain processes is also conducted. During 2013, the external audit focused on routines for remuneration of employees.

Personnel from headquarters' finance and controller function visit subsidiaries regularly. During these visits, financial analyses are conducted, processes are reviewed, and internal controls and spot checks are done to ensure that controls are working as intended. When there are personnel changes within the finance function, ensuring continuity as regards internal control is essential.

During 2013, an analysis tool was implemented to provide fast and uniform monitoring and control throughout the entire Group. Efforts to prepare a financial manual have been ongoing during the year.

The audit committee monitors the internal control work and has ongoing contact with the external auditor, which contributes to the board's overall picture of the internal control with regard to financial reporting.

Auditor's report on the Corporate Governance Statement

To the annual meeting of the shareholders of Micronic Mydata AB (publ), corp. id. 556351-2374

It is the board of directors who is responsible for the corporate governance statement for the year 2013 on pages 24–27 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 audit standards in Sweden.

In our opinion, the corporate governance statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, 11 March 2014
Ernst & Young AB
Heléne Siberg Wendin
Authorized Public Accountant

Board of directors and auditors



From the left: Anders Jonsson, Eva Lindqvist, Magnus Lindquist, Patrik Tigterschiöld, Peter Sundström, Katarina Bonde and Ulla-Britt Fräjdin-Hellqvist
Absent: Johan Densjö.

Board members elected by the AGM 2013

Patrik Tigterschiöld, born 1964

Chairman since 2012, Director since 2009

Education: M.Sc. in Business and Economics

Other board assignments: Chairman of Bure Equity AB and PartnerTech AB.

Board member of Stockholms University

Previous positions: CEO Bure Equity AB 2010-2013,

CEO Skanditek Industriförvaltning 1999-2010,

CEO SEB Allemansfonder 1995-1999

Shareholding in Micronic Mydata: 0

Magnus Lindquist, born 1963

Director since 2007

Investment adviser Triton Advisers AB

Education: Economist

Other board assignments: Board member of Ambea AB, Ovako AB and Polygon AB

Previous positions: CFO Autoliv 2001-2008,

CFO Perstorp 1996-2001, CFO Stora Cell Group 1993-1996

Shareholding in Micronic Mydata: 0

Auditor

Heléne Siberg Wendin, born 1965

Auditor in Micronic Mydata since 2013

Authorised accountant, Ernst & Young AB

Other assignments: IKEA, Ovako, Papyrus, Scania

Anders Jonsson, born 1950

Director since 2011

Industrial adviser Triton Advisers Ltd.

Education: Master of Engineering and

IFL Handelshögskolan, Stockholm

Other board assignments: Chairman of Alimak Hek

Group AB and Talis GmbH. Board member of

Rejler Group and Battenfield Cincinnati AG.

Vice chairman of Swedish Swiss Chamber of Commerce in Zürich

Previous positions: Member of ABB executive manage-

ment Zürich, manager Robot Division ABB, manager

ABB Automation Segment China 2005-2006, global

management positions within ABB Zürich 1988-2005,

various management positions in ABB Sweden 1979-

1987

Shareholding in Micronic Mydata: 63,836

Katarina Bonde, born 1958

Director since 2010

President Kubi LLC

Education: Master of Engineering

Other board assignments: Chairman of Propellerhead

Software AB. Board member of Sjötte AP-fonden,

Microsystemation AB, Image Systems AB, eBuilder AB

and Aptilo Networks AB.

Previous positions: CEO UniSite Software Inc 2000-

2003, CEO Captura International 1997-2000,

Marketing director Dun & Bradstreet Software Inc

1996-1997, vice President Timeline Inc 1994-1995,

CEO Programator Industri AB 1989-1992

Shareholding in Micronic Mydata: 2,000

Eva Lindqvist, born 1958

Director since 2012

Education: Master of Engineering, M.Sc Business and Economics

Other board assignments: Board member of Assa Abloy,

Bodycote, Episerver, Tieto, Transmode, Innovations-

bron and Blekinge Tekniska Högskola

Previous positions: CEO Xelerated Holding 2009-2011,

CEO TeliaSonera International Carrier 2002-2007,

Sr VP Telia Equity 2000-2002, leading positions in

Ericsson 1981-1999

Shareholding in Micronic Mydata: 0

Ulla-Britt Fräjdin-Hellqvist, born 1954

Director since 2012

Fräjdin&Hellqvist AB

Education: Master of Engineering

Other board assignments: Chairman of Kongsberg

Automotive and SinterCast. Board member of

Castellum, DataRespon, e-man, Fouriertransform,

Fräjdin&Hellqvist, Tällberg Foundation and

Vindora Holding

Previous positions: Leading positions Svenskt

Näringsliv 2001-2006, leading positions Volvo

Personvagnar AB 1979-2001

Shareholding in Micronic Mydata: 10,000

Board members appointed by Unionen:

Johan Densjö, born 1971, Director since 2012

Shareholding in Micronic Mydata: 0

Peter Sundström, born 1976, Director since 2012

Shareholding in Micronic Mydata: 0

Executive management



From the left: Lars Sundberg, Robert Göthner, Lena Olving, Per Ekstedt, Magnus Råberg, Silke Ernst and Niklas Edling.

Lena Olving, born 1956

CEO and President since 2013

Education: Master of Engineering

Board assignments: Board member of SJ AB and Novozymes A/S (Denmark)

Previous positions: Vice President and COO Saab AB (publ), leading positions and member of executive management Volvo Personvagnar AB, CEO Samhall Högland AB

Shareholding in Micronic Mydata: 70,000

Per Ekstedt, born 1964

Sr vice President CFO, employed since 2012

Education: Bachelor of Business administration

Previous positions: CFO Selecta, CFO Group4 Securicor, CFO Siemens Business Services

Shareholding in Micronic Mydata: 0

Robert Göthner, born 1959

Sr vice President, General Manager business area SMT, employed since 2007

Education: Master of Engineering, MBA

Previous positions: Vice President Marketing MYDATA automation AB, Partner Nordic Venture Partners and InnovationsKapital, executive positions IBM Corporation.

Shareholding in Micronic Mydata: 0

Silke Ernst, born 1967

Sr vice President HR, employed since 2013

Education: Fil mag lingvistik and MBA

Previous positions: VP HR Business Division Asset Optimisation & Trading Vattenfall, Vice HR-manager Vattenfall BG Nordic, HR-manager BU Distribution Vattenfall

Shareholding in Micronic Mydata: 0

Lars Sundberg, born 1971

Sr vice President Research & Development, employed 2001

Education: Master of Engineering

Previous positions: Several positions Micronic Laser Systems AB and Micronic Mydata AB.

Shareholding in Micronic Mydata: 900

Magnus Råberg, born 1966

Sr vice President, General Manager business area PG, employed 1996

Education: Master of Engineering

Previous positions: Head of global support, Head of system sales semiconductor applications and other positions Micronic Laser Systems AB.

Shareholding in Micronic Mydata: 0

Niklas Edling, born 1963

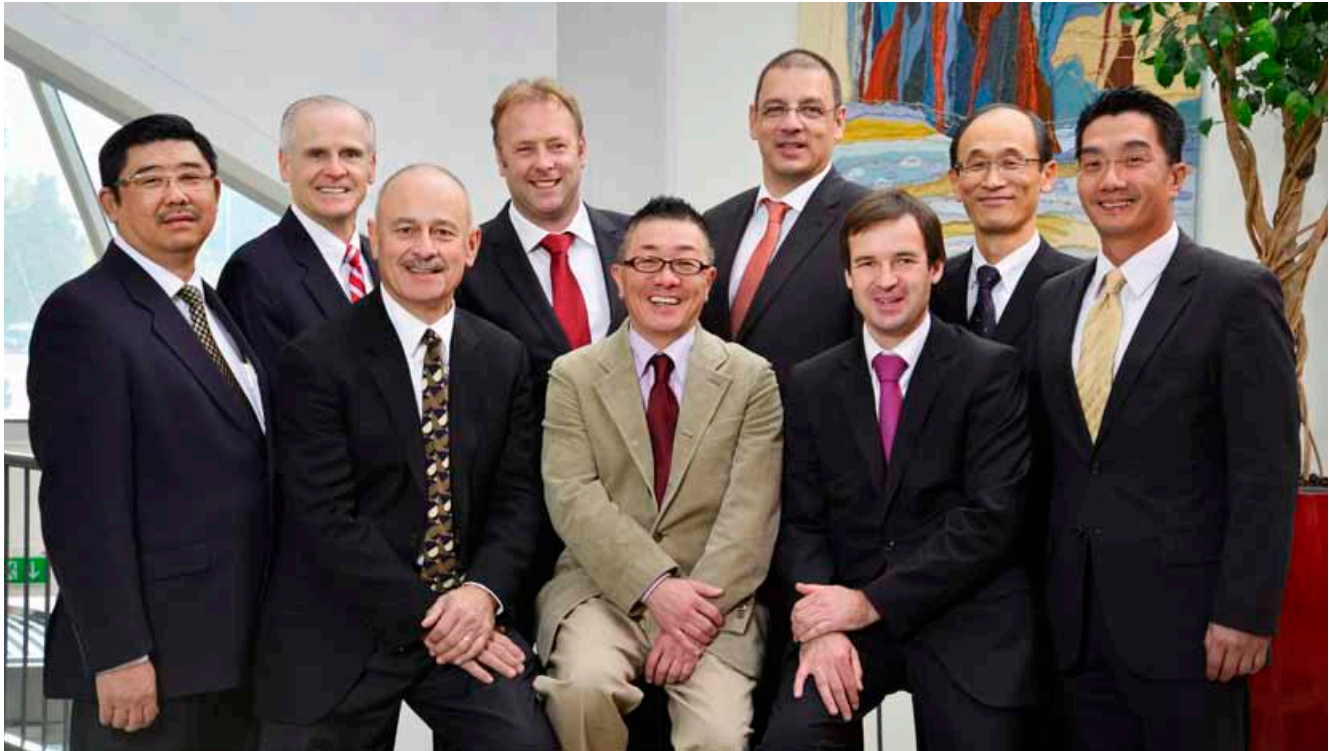
Sr vice President Strategy and Product management, and Head of sourcing, production and quality, employed since 2011

Education: Master of Engineering and MBA

Previous positions: VP Supply Chain & Manufacturing Laerdal Medical, VP Operations Hudson RCI.

Shareholding in Micronic Mydata: 30,000.

Global sales organization



From the left: David Koh, Brian Duffey, Manny Ferreira, Paul Rooimans, Masahiko Shimada, Pierre de Menech, Cyrille Bidet, Takehiko Tsujimura and KK Wong.
Absent: Charles Lee, Fredrik Öberg and Jason Wong

Benelux and UK

Paul Rooimans, business area SMT

China

KK Wong, business area SMT
Jason Wong, business area PG

France

Cyrille Bidet, business area SMT

Japan

Takehiko Tsujimura, business area SMT
Masahiko Shimada, business area PG

Germany

Pierre de Menech, business area SMT

North America

Brian Duffey, business area SMT
Manny Ferreira, business area PG

Singapore

David Koh, business area SMT

South Korea

Charles Lee, business area PG

ROW (rest of world)

Fredrik Öberg, business area SMT

Financial overview

SEK million	2013	2012	2011	2010	2009	2009 ¹⁾	2008	2008 ¹⁾	2007
Order intake	1,053	1,280	1,214	1,388	631	854	378	970	634
Profit and loss accounts									
Net sales	997.0	1,353.9	1,197.6	1,287.8	828.9	1,051.9	568.6	1,193.9	523.0
Operating profit, EBIT	32.3	-21.4	-65.7	72.5	-145.8	-179.1	-37.5	-131.6	-290.8
Net financial items	3.6	6.8	8.7	1.2	-2.0	-2.8	1.9	1.9	3.3
Profit/loss before tax	35.9	-14.6	-57.0	73.7	-147.8	-181.9	-35.5	-129.6	-287.5
Tax	-22.1	-29.4	-31.8	-36.9	3.7	12.4	4.9	29.7	80.0
Profit/loss for the year	13.7	-44.0	-88.8	36.8	-144.1	-169.5	-30.6	-99.9	-207.5
Statements of financial position									
Non-current assets	281.8	283.9	409.3	402.9	472.7		341.5	570.6	413.4
Inventories	323.9	329.2	357.5	321.2	341.0		309.7	431.3	333.6
Other receivables	308.6	277.9	283.5	407.0	318.1		353.8	487.0	309.0
Cash and cash equivalents	487.3	581.1	536.4	582.6	276.6		371.4	392.4	450.7
Total assets	1,401.5	1,472.1	1,586.7	1,713.8	1,408.4		1,376.4	1,881.3	1,506.7
Equity	1,165.4	1,168.3	1,231.7	1,314.7	1,047.2		888.6	1,213.2	907.5
Interest-bearing liabilities	-	2.3	6.9	12.3	18.7		163.3	163.6	246.5
Other liabilities	236.0	301.5	348.1	386.8	342.5		324.7	504.6	352.7
Total equity and liabilities	1,401.5	1,472.1	1,586.7	1,713.8	1,408.4		1,376.6	1,881.3	1,506.7
Capital employed	1,165.4	1,170.6	1,238.6	1,327.0	1,065.9		1,051.9	1,376.7	1,154.0
Net interest-bearing debt	-487.3	-578.8	-529.4	-570.4	-257.8		-208.1	-228.9	-204.2
Cash flow									
Cash flow from operating activities	-47.2	69.9	-15.4	120.9	81.6		-105.8		-77.3
Cash flow from investing activities	-35.8	-5.3	-30.8	-36.2	-0.5		124.5		-44.6
Cash flow from financing activities	-2.0	-4.0	-5.7	223.7	-172.9		-102.2		-54.5
The year's cash flow	-85.1	60.6	-51.9	308.4	-91.8		-83.5		-176.3
Key ratios									
Gross margin, %	44.8	45.2	40.8	49.2	39.5	40.0	28.4	28.9	29.3
EBIT margin, %	3.2	-1.6	-5.5	5.6	-17.6	-17.0	-6.6	-11.0	-55.6
Adjusted EBIT margin, %	3.2	7.9	-5.5	6.0	-11.1	-11.9	-9.3	-12.3	-55.6
Profit margin, %	1.4	-3.2	-7.4	5.7	-17.8	-17.3	-6.2	-10.9	-55.0
Equity/assets ratio, %	83.2	79.4	77.6	76.7	74.4		64.6	64.5	60.2
Return on capital employed, %	3.1	-1.1	-4.4	6.3	-13.3		-2.2	-9.3	-21.6
Return on equity, %	1.2	-3.7	-7.0	3.1	-14.9		-3.4	-9.4	-20.6
Capital turnover, times	0.9	1.1	0.9	1.1	0.8		0.5	0.9	0.4
R&D									
R&D expenditure	202.7	269.4	251.4	247.0	186.7	225.8	197.3	307.8	198.4
R&D costs	183.4	290.0	289.0	318.1	251.4	303.1	149.6	269.4	279.0
R&D expenditure/net sales, %	20.3	19.9	21.0	19.2	22.5	24.5	34.7	25.8	37.9
R&D costs/net sales, %	18.4	21.4	24.1	24.7	30.3	28.8	26.3	22.6	53.3
Capitalized development costs	31.4	-	9.1	2.9	1.4	3.0	71.9	86.4	34.1
Amortization of capitalized development costs	7.5	16.0	42.1	69.5	63.8	87.8	24.2	2.8	114.7
Data per share									
Number of shares at year end, millions	97.9	97.9	97.9	97.9	65.3		39.2		39.2
Average number of shares, millions	97.9	97.9	97.9	82.5	52.3		39.2		39.2
Share price at 31 December, SEK	12.40	10.25	11.95	17.70	14.30		5.80		32.20
Proposed dividend 2)	2.50	-	-	-	-		-		-
Earnings per share (average number)	0.14	-0.45	-0.91	0.45	-2.76		-0.78		-5.30
Equity per share (average number)	11.90	11.93	12.58	15.93	20.00		22.69		23.17
Cash flow per share (average number)	-0.87	0.62	-0.53	3.74	-1.76		-2.13		-4.50
P/E-ratio (number of shares at year end)	88	neg	neg	47	neg		neg		neg
Price/equity ratio (number of shares at year end)	0.95	0.95	0.95	1.32	0.89		0.26		1.39

1) The pro forma figures are presented in order to illustrate how an acquisition at 1 January, 2008 would have affected the Group's profit and financial position. Pro forma figures are presented when relevant.

2) Proposed dividend to AGM 2014 by reduction of the statutory reserve.

The Micronic Mydata share

The Micronic Mydata share was listed in 2000 on NASDAQ OMX Stockholm and has been on the Small Cap list since 2008. In 2013 the share rose 21 percent. At the end of 2013 the market capital was SEK 1,214 million and the number of shareholders was 6,056.

The share

The Micronic Mydata share has been listed since 2000 and is traded on the Small Cap list on NASDAQ OMX Stockholm.

Share capital as of 31 December, 2013 was SEK 97,916,509 divided into 97,916,509 shares. All shares are of the same class and carry equal voting rights and the same proportion of capital and earnings.

Share price trend and liquidity

The closing price for the Micronic Mydata share as of 30 December, 2013 was SEK 12.40, which corresponds to a market capital of SEK 1,214 million, compared to SEK 1,004 million at the end of 2012, an increase of 21 percent. During the same period, the OMX Stockholm PI rose 23 percent.

The highest price paid for the share in 2013 was SEK 14.60 recorded on 3 April and the lowest paid price was SEK 10.25 recorded on 2 January. During 2013, a total of 34.4 (39.8) million shares were traded for a total value of SEK 435 (471) million. Shares were traded on every trading day with an average daily trading volume of 137,521 (159,207) shares, which is equivalent to SEK 1.7 (1.9) million.

The share capital

Year	Increase	Total number of shares	Share capital MSEK
1989	16,000	16,000	1,600
1990	3,300	19,300	1,930
1994	1,801	21,101	2,110
1997	11,979,399	12,000,500	12,001
1998	2,000,083	14,000,583	14,001
2000	5,100,000	19,100,583	19,101
2001	102,000	19,202,583	19,203
2002	12,700	19,215,283	19,215
2003	19,951,333	39,166,616	39,167
2009	26,111,057	65,277,673	65,278
2010	32,638,836	97,916,509	97,917

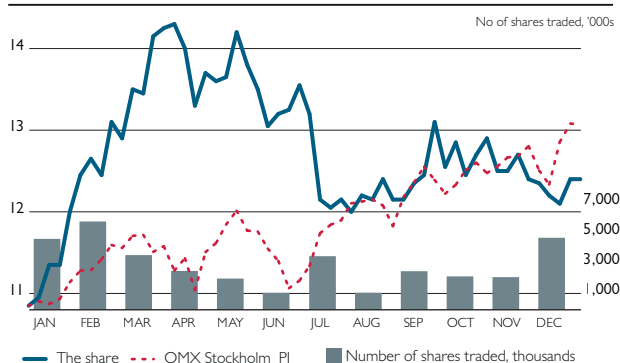
Analysts that monitor Micronic Mydata

Company	Analyst
Carnegie	Mikael Laséen
Handelsbanken	Fredrik Lithell
Redeye	Victor Höglund
Swedbank	Håkan Wrånne
Remium	Christian Lee

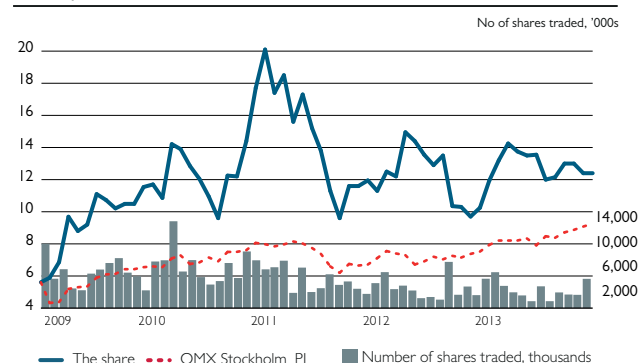
Shareholders 2013-12-31

Shareholder	No of shares	Holding, %
Bure Equity	37,161,609	38.0
SHB fonder	7,589,881	7.8
Nordea Fonder	4,216,867	4.3
DNB fonder	3,037,924	3.1
Skandia fonder	2,782,507	2.8
Catella fonder	2,474,850	2.5
DFA fonder	2,138,845	2.2
Avanza Pension Försäkring AB fonder	1,972,208	2.0
Länsförsäkringar fondförvaltning	1,829,848	1.9
Fjärde AP-fonden	1,748,034	1.8
The 10 largest shareholders	64,952,573	66.3
Others	32,963,936	33.7
Total	97,916,509	100.0

Share price trends 2013



Share price trends 2009 – 2013



Ownership

The number of shareholders at the end 2013 was 6,056 (5,961). The largest shareholder is Bure Equity with 38 percent. The ten largest shareholders represent 66 (65) percent of the total number of shares, and the 100 largest shareholders represent 80 (81) percent.

Together, the Board of directors and the executive management held 0.2 (0.05) percent of total shares. Swedish ownership rose in 2013 from 83 to 88 percent. The largest percentage of foreign owners is in the US and Luxemburg with 3 percent of shares held in each country.

Market communication

Micronic Mydata provides current information to the financial market, owners, and other

stakeholders in order to increase understanding of the company and its business.

Financial information is published in interim and annual reports. Significant events are made public through press releases. These can be subscribed for in Swedish or English through a service available on the website. A printed version of the annual report is distributed to those who request it. Annual reports are also available on the website in pdf and web formats.

Representatives from Micronic Mydata meet regularly with analysts, shareholders and other stakeholders to provide information about company developments. Presentations are held for analysts, investors and media in connection with the publishing of interim reports. Company presentations are

given in connection with meetings with the financial market.

Further information can be obtained from the corporate website: www.micronic-mydata.com or by email: ir@micronic-mydata.com

Dividend policy

The objective of the company is to provide both good returns and value growth. Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt lower than 3 times EBITDA after stipulated dividend.

On each occasion the financial position, profitability trend, growth potential, and future investment requirements of the company shall be taken into account.

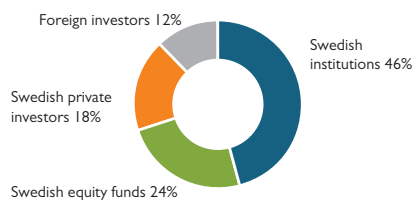
Ownership structure 2013-12-31

Holding by size	No of share-holders	No of shares	%
1–500	2,680	557,658	0.6
501–1,000	1,084	922,515	0.9
1,001–5,000	1,632	4,086,853	4.2
5,001–10,000	305	2,360,482	2.4
10,001–50,000	270	5,974,521	6.1
50,001–100,000	29	2,067,888	2.1
100,001–	56	81,946,592	83.7
	6,056	97,916,509	100.0

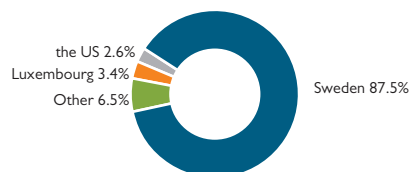
Share data

	2013	2012
Earnings	0.14	-0.45
Cash flow	-0.87	0.62
Equity	11.90	11.93
Share price at year-end	12.40	10.25
Price/equity ratio	1.04	0.95
Proposed dividend	2.50	–
P/E ratio	88	neg
Number of shares, thousands	97,917	97,917

Ownership structure at 31 December 2013 by category



Ownership structure at 31 December 2013 by geography



Report of the directors

Micronic Mydata develops, manufactures and sells production solutions for manufacturing electronics products. World leading companies use products and services from two business areas, Surface Mount Technology (SMT) and Pattern Generators (PG).

The Board of directors and the CEO for Micronic Mydata AB (publ), corporate identification no. 556351-2374 and domiciled in Täby, hereby submit the consolidated financial statements and annual report for financial year 1 January to 31 December, 2013.

Operations and offerings

Micronic Mydata is a high tech company that develops, manufactures and sells production equipment for manufacturing electronics products. The range of offerings includes mask writers that are used in the manufacture of photomasks, direct writers for producing substrates and surface mount equipment for flexible electronics production. Mask writers are used in the manufacture of semiconductor circuits, for advanced electronic packaging and for manufacturing displays that can be used for tablets, smart phones, TVs and computers. The surface mount equipment is used for surface mount of electronic components on printed circuit boards and for stencil-free application of solder paste on the printed circuit boards.

Organization and personnel

The Group consists of the parent company, Micronic Mydata AB, with wholly-owned subsidiaries in Japan, China, South Korea, Taiwan and the US, as well as the wholly-owned subsidiary MYDATA automation AB with its subsidiaries in France, Germany, the Netherlands, Singapore, the UK and the US.

The product development, manufacturing and marketing activities in the Group are conducted mainly in Micronic Mydata AB and MYDATA automation AB. The subsidiaries in the PG business area are responsible for aftermarket sales, service and customer support. In terms of the SMT business area, the subsidiaries are responsible for both system and aftermarket sales, as well as for service and customer support. Surface mount equipment is also sold through agents and distributors. The Group is represented in approximately 50 countries.

The research and development functions, product management, production, sourcing and administration act jointly for both business areas, while marketing, sales and aftermarket is managed individually within the respective business area.

The average number of employees in the Group during 2013 was 514 (560), of whom 299 (346) work in Sweden. Women make up 18 (18) percent of the average number of employees in the Group. Employee turnover in 2013 was 7 (6) percent. These figures do not include employee layoffs of 43 individuals implemented during the second half of 2012.

Board of directors

At the 2013 Annual General Meeting, it was decided that the board should consist of six regular members without deputies. The annual general meeting re-elected board members Katarina Bonde, Ulla-Britt Fräjdin-Hellqvist, Anders Jonsson, Magnus Lindqvist, Eva Lindqvist and Patrik Tigerschiöld. Patrik Tigerschiöld was elected chairman of the Board.

In addition, Unionen appointed two representatives to the Board.

Executive management

The Executive management consists of seven individuals. Lena Olving took over as President and CEO on 15 July, 2013. On 1 November, Silke Ernst took over as head of HR.

Events during the year

First quarter

Lena Olving was appointed President and CEO. The cost saving actions that were taken at the end of 2012 had full effect on costs from the start of 2013.

Second quarter

As a result of high utilization, the aftermarket business had stable growth in terms of both business areas. However, the results were affected by low system sales and a strong Swedish krona. PG customers were cautious to

make large investments despite high utilization and demand for capacity. The demand for SMT equipment was also lower, with weak order intake and sales. The costs for development dropped and the development focus was shifted from PG to SMT.

Third quarter

The quarter was characterized by continued weak demand for equipment, and a continued strong Swedish krona affected sales and earnings. The aftermarket business continued to experience positive growth thanks to a high level of utilization.

Fourth quarter

The market for SMT equipment saw an incipient recovery in the latter part of the fourth quarter with positive growth in terms of order intake. The Group received orders for two LRS1 5000 mask writers, of which one was also delivered during the quarter.

A previous order for an LDI system was canceled by the customer due to reduced need for product development capacity. The technical demands in the market for electronic packaging are developing at a slower pace than what was estimated previously. Verifying new technology takes time.

Financial objectives and dividend policy

The board has established new financial objectives, reviewed the capital structure and decided on a new dividend policy. The financial objectives comprise:

Growth

Net sales will reach SEK 2 billion at the end of the period covered by the business plan.

Earnings

Over time EBIT will exceed 10 percent of net sales over a business cycle.

Capital structure

Net debt will be less than 3 times the average EBITDA.

Dividend policy

The objective of the company is to provide both good returns and value growth. Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt lower than 3 times EBITDA after stipulated dividend.

On each occasion the financial position, profitability trend, growth potential and future investment requirements of the company shall be taken into account.

Parent Company

Micronic Mydata AB is the Parent Company of the Group. Parent Company sales are made up of sales of pattern generators and aftermarket sales to a certain extent. At the end of 2013, the Parent Company had 215 (225) employees.

Net sales amounted to SEK 286 (479) million and included 1 (3) pattern generators. The operating profit amounted to SEK 11 (-105) million. At year-end, cash amounted to SEK 281 (282) million.

Research and development

The Group's development costs for 2013 amounted to SEK 183 (290) million. The costs decreased by SEK 107 million. Of these costs, SEK 38 (178) million is made up of development expenses for LDI.

Focus has shifted from PG to SMT. Development costs of SEK 31 (0) million have been capitalized, which all involves projects within SMT. Micronic Mydata's patent strategy protects investments in unique technology. Thirty-five new patents were granted in 2013, and by the end of the year, the Group had 422 patents granted.

Environmental and permit issues

As a manufacturing company, the Group has a low impact on the environment. The production unit is not subject to permit requirements from the environmental authorities, but only a reporting requirement for the use of coolants (HFC) in the cooling system.

The Micronic Mydata share

The share has been listed on the NASDAQ OMX Stockholm stock exchange since 2000 and since 2008 it is listed on the Small Cap list. The share capital amounts to SEK 98 million. Micronic Mydata has a total of 97,916,509 shares issued in a series. Each share has the right to one vote. The company has one shareholder, Bure Equity, which holds more than 10 percent of shares. By the end of 2013, Bure owned 38 percent of the company.

Micronic Mydata does not have any limitations in terms of the transferability of shares

due to provisions in the Articles of Association. To the knowledge of the company, there are no agreements between shareholders that result in limitations to the right to transfer shares. The company is not party to any agreement that will have effect, be altered or cease to apply if control over the company should change as result of public tender offer.

The Group has no contractual obligations between the company and board members or between the company and employees, other than those reported below.

Principles for remuneration for senior executives

At the AGM on 6 May 2014, the Board will propose principles for compensation to senior executives. The proposal includes the CEO and other individuals in the Executive management. The principles shall apply to employment contracts that are signed after the AGM.

At the time of approval of the Annual Report for 2013, the proposal for principles for compensation to senior executives was not finalized.

The proposal for principles regarding compensation will be presented in connection with notice to AGM at the latest.

Significant risks and risk management

Micronic Mydata is a Group with operations that span the globe and therefore expose the company to different types of risks. The company can influence these risks to a certain degree. They may have a large or small effect on the Group, Parent Company or the subsidiaries within the Group.

The key risks that can affect Micronic Mydata are described below. By developing processes, systematic risk management, together with the Group's insurance solutions, the overall risks and the costs of those risks are minimized.

Risk management is handled on an overall level by the Board of Directors and on an operational level by the Executive management.

Financial risk management as well as insurance issues are centralized in the finance department of the Parent Company. Financial risks are handled in accordance with the finance policy that is established by the Board of Directors.

Market-related risks

Sales are related to investments in the electronics industry. Sales and profitability are affected by overall economic trends in terms of both sales volumes, price trends and the customers' financing possibilities.

By continuously investing in product development, Micronic Mydata addresses

multiple areas of application and customer segments, which helps to spread risk. Micronic Mydata is also expanding its aftermarket business, such as service, accessories, software and other services in order to reduce the dependency on system sales.

Micronic Mydata is affected by the political decisions and regulations in the 50 countries where the Group operates through its subsidiaries or via distributors and agents. Establishing operations at the local level increases knowledge of each market. There are currently no significant, known changes in terms of legal regulations or restrictions in the markets where Micronic Mydata is operating.

If Micronic Mydata cannot deliver products and services according to the demands of the customer or if the customers cannot fulfill their payment obligations, this may affect the consolidated earnings and the financial position.

The SMT business area operates in a market with several players and therefore has significant competition. The company has approximately 2,000 customers around the world and dependency on individual customers is low. Sales are distributed across a large volume of machines, and the products can be applied in several different segments.

The PG business area has a customer base of roughly 10 large companies. Dependency on a few individual customers is great, which involves a concentration of customer risk. Sales are distributed to a few number of high value machines, and the sales processes are long. Low sales to any one of these customers can have a significant impact on the consolidated earnings and financial position in the short term. Earnings for a specific reporting period, e.g. a quarter, can also be affected by delays in the shipment of individual mask writers. There are few competitors, and customer relations extend for long periods of time.

The technical developments within the electronics industry occur quickly. The Group is exposed to development risk, i.e. that the research and development being conducted does not result in new profitable business opportunities, that launching or delivering new products does not occur on time or the risk that the costs of creating new products are difficult to estimate. There is considerable uncertainty around when a wider introduction of the next generation of substrates will occur. This means that the growth in sales through LDI can occur later than estimated.

The electronics industry is estimated to have an annual growth rate of five percent in the coming years. Consumption of electronics products is increasing across the entire

world, which is one of the basic driving forces for the Group. The development projects are based on prestudies, which combine market studies, technical studies and project preparations, with the intention to start product development projects. Thorough feasibility studies are important to reduce business risk in terms of product development projects. Development activities occur in close collaboration with customers and the sales organization.

Price changes and lead times for components that are used in production can affect the financial results of the Group. Certain components are manufactured by a limited number of suppliers. Micronic Mydata evaluates alternative suppliers of critical components and ensure competitive pricing and lead times.

Micronic Mydata normally assumes product liability for which Micronic Mydata has signed a third-party liability insurance policy.

The company's profits in the long term depend on its ability to protect strategically

important technology and brands. The Group consciously works on identifying and protecting new technology early on by the use of patents.

Business-related risks

Micronic Mydata rents a location in Täby to manufacture equipment. Damage due to fire, power loss and water damage can result in production disruptions and delivery problems and can affect the profits and financial position of the Group.

The Group takes preventive measure to ensure the continuity of operations in the production facilities. The work involves regular maintenance and fire safety training for personnel. The company has a contingency plan for acting quickly in the event of a catastrophe and to limit damage. The Group has the regular insurance policies, such as property and business interruption insurance. The production facilities are fully insured by the property owner.

Employees as well as customers are the

greatest assets of Micronic Mydata. Having access to competent and motivated employees and managers is a key condition for achieving the goals of the Group. Personnel costs are also one of the largest cost items. Micronic Mydata is actively working on making the company an attractive employer. Working with schools and colleges is an area of priority.

Financial risks

Through its international operations, the Group is exposed to the risk of negative changes to earnings and cash flow through currency, credit and financing risks. Currency risk is the single, largest financial risk. Interest rate risk is limited. Financial risks are handled in accordance with the finance policy that is established by the Board of directors. See note 32.

Future outlook

Sales for 2013 were SEK 997 million. The Company estimates that sales in 2014 will be in the span of SEK 1,150-1,250 million.

EARNINGS TREND AND FINANCIAL POSITION

Earnings trend

Order intake and order backlog

The order intake, including aftermarket sales for both business areas, amounted to SEK 1,053 (1,280) million for 2013.

The order intake for SMT was weak as a result of the generally weak condition of the business area's main markets, and the order intake dropped by 19 percent compared with the previous year. The order intake for PG includes 3 (1) systems, of which 2 are mask writers for display applications.

The order backlog at the end of the year was SEK 149 (90) million and includes pattern generators valued at SEK 97 (14) million and surface mount equipment valued at SEK 52 (76) million.

Sales

Sales for 2013 amounted to SEK 997 (1,354) million, a decline of 26 percent. Both business areas showed decreased sales. Aftermarket sales, which had stable growth in local currencies, account for 54 percent of the overall sales.

Sales of SMT equipment shrunk by 21 percent compared with 2012. At the same time, the world market for SMT equipment decreased by 25 percent (PROTEC MDC, January 2014). System sales within PG includes 1 (3) systems.

Exchange rates negatively affected Group sales by SEK 64 million. Converted to the same exchange rates in effect for 2012, sales would have amounted to SEK 1,061 million.

Gross profit and gross margin

Consolidated gross profit amounted to SEK 446 (612) million, which is equal to a gross margin of 45 (45) percent.

The gross profit was affected by lower

sales and by the mix of sold systems, a positive expansion of the aftermarket and the mix of products and services supplied within the aftermarket. In 2012, gross profit was affected by one-time costs of SEK 27 million attributable to the direct writer LDI.

Despite lower sales, the Group maintained its gross margin level, which to a large degree is explained by the cost savings that were implemented in the second half of 2012 and which took full effect as of 2013.

Research and development

In 2013, focus shifted from direct writing to SMT. The reported costs amount to SEK 183 (290) million. The development expenditures amount to SEK 203 (269) million, of which SMT accounts for SEK 131 (69) million.

SMT development during the year focused on improving the customers' productivity and reducing their operating costs among other things. A new series of surface mount machines, MY200 was launched.

Within PG, qualification work for direct writing continued. During 2013, the development costs for LDI amounted to SEK 38 (178) million.

The activities for the year are described in the respective business area section in this annual report.

During 2013, capitalization of development took place in the amount of SEK 31 (0) million, all within the SMT business area. Previously capitalized development has been amortized in the amount of SEK 7 (16) million in terms of SMT.

The Group's operating profit in 2013 was affected by amortization of acquired technology in the amount of SEK 5 (5) million.

Selling and administrative expenses

Selling expenses for 2013 amounted to SEK 149 (212) million. Selling expenses have de-

creased, largely due to the cost savings implemented during the second half of 2012. Of the total selling costs, SEK 18 (25) million consisted of sales commissions. Selling costs included product management costs of SEK 21 (42) million.

Administration costs in 2013 were SEK 79 (79) million, and include common functions such as finance, HR, IT, executive management and legal costs.

Operating profit

Consolidated operating profit amounted to SEK 32 (-21) million, which is equal to an operating margin of 3 (-2) percent. The operating profit in 2012 was negatively affected by one-time costs of SEK 128 million. This included workforce reductions of 50 persons and a reorganization that included changing to a new CEO, all at a cost of SEK 38 million. When adjusted for one-time costs, the operating profit 2012 amounted to SEK 107 million, which is equal to a gross margin of 8 percent.

The operating profit in 2013 was affected by lower sales volumes in both business areas. Major savings were achieved through the cost savings measures that were implemented in the second half of 2012. The costs for development, sales and administration (excluding one-time costs in 2012) have decreased from SEK 518 to SEK 411 million.

The Group's aftermarket business continued to grow and had a positive impact on earnings trend.

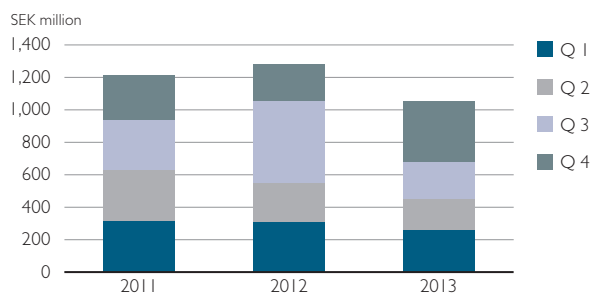
Tax

The consolidated profit/loss before tax in 2013 was SEK 36 (-15) million.

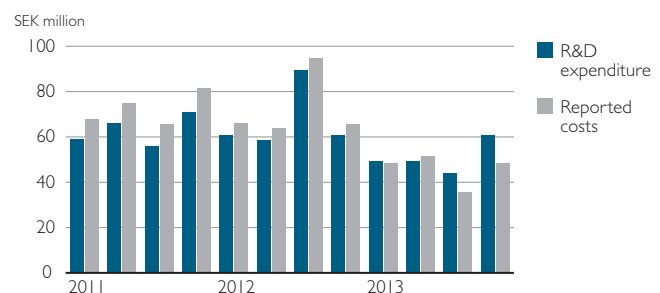
The Group's tax cost was SEK 22 (29) million. The majority of this stems from current tax in the foreign subsidiaries.

At the year end, the Group had a closing accumulated loss carryforwards of SEK 704

Quarterly order intake



Quarterly R&D expenses



(672) million. In the report of financial position a deferred tax asset of SEK 73 (73) million was reported, corresponding to accumulated loss carryforwards in the amount of SEK 331 (332) million.

Profit for the year and earnings per share
The consolidated profit/loss after tax in 2013 amounted to SEK 14 (-44) million.

The number of outstanding shares at year-end was 97,916,509 (97,916,509). Earnings per share amounted to SEK 0.14 (-0.45).

Financial position

Assets

The total assets of the Group at the end of 2013 amounted to SEK 1,401 million, compared with SEK 1,472 million at the end of 2012.

The non-current assets totals SEK 282 (284) million. Intangible assets increased by SEK 14 million and amounted to SEK 133 (119) million. The balance sheet item is made up primarily of acquired assets and capitalized development. In connection with the acquisition of MYDATA automation AB, values were identified in the form of technology, brand, customer relations and goodwill, items that were recognized as intangible assets. In 2013, new development projects in SMT were capitalized in the amount of SEK 31 million. Previously capitalized development has been amortized in the amount of SEK 7 (16) million, which is entirely related to SMT.

Amortization of acquired intangible assets amounted to SEK 6 (6) million.

Each development project is assessed individually to determine whether the criteria for capitalization in the report of financial position have been met. The value of capitalized development is evaluated at least yearly using an impairment test to ensure accurate reporting. The value of brand and goodwill, which were identified at the acquisition of MYDATA, is assessed at least annually in a similar manner.

Investments in tangible assets for the year amounted to SEK 6 (9) million, while depreciation of tangible assets amounted to SEK 11 (27) million.

Trade receivables at year end amounted to SEK 260 (219) million. Cash and cash equivalents dropped in 2013 by SEK 94 million and amounted to SEK 487 (581) million at the year-end.

Equity

The equity at the end of the year amounted to SEK 1,165 million, compared with SEK 1,168 million at the end of 2012. The number of outstanding shares at year-end was 97,916,509. The equity/assets ratio was 83 (79) percent.

At year-end, market capitalization was SEK 1,214 (1,004) million or 104 (86) percent of equity.

Financing

At the end of the year, the Group had no interest-bearing liabilities (SEK 2 million).

Short-term operating liabilities decreased by SEK 63 million to SEK 219 million. The trade payables decreased from SEK 77 million to SEK 64 million. Advance payments from customers amounted to SEK 14 (7) million and related to current order backlog. The Group strives as much as possible to receive advance payments from customers in connection with orders, primarily in terms of PG sales.

Cash flow

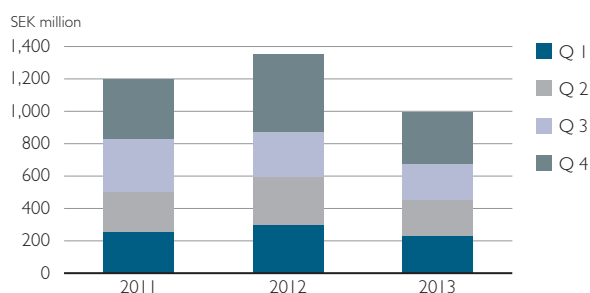
At year-end, cash and cash equivalents amounted to SEK 487 (581) million. The cash flow in 2013 was SEK -85 (61) million.

Operations claimed SEK 47 million in comparison with 2012, when operations generated SEK 70 million. Build-up of operating capital accounted for SEK 90 (94) million. Trade receivables increased due to high sales volume in the fourth quarter. The personnel-related liabilities decreased as a result of the restructuring that took place in the second half of 2012.

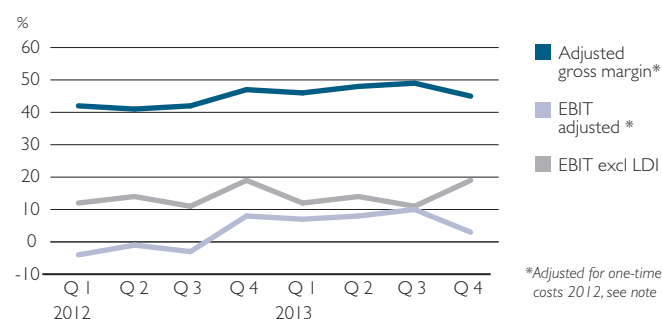
Investment activities accounted for SEK 36 (5) million, of which investment in development accounted for SEK 31 (0) million.

Financing activities accounted for SEK 2 (4) million and concern amortization of loans in foreign subsidiaries.

Quarterly sales



Margin development, group, 12 months rolling



*Adjusted for one-time costs 2012, see note 7

Proposal on disposition of accumulated results

At the AGM disposal are the following amounts in SEK:

Share premium reserve	201,915,502
Fair value reserve	-1,264,778
Accumulated deficit	-373,161,195
Profit for the year	14,610,132
Total	-157,900,339

The Board of directors proposes that the accumulated deficit and non-restricted equity be managed as follows:

Carried forward to new account	-157,900,339
<i>of which to share premium reserve</i>	201,915,502
<i>of which to fair value reserve</i>	-1,264,778

Proposal on extra dividend

After review of the capital structure the Board of directors proposes to the AGM an extra dividend of SEK 2.50 per share, amounting to a total of SEK 244.8 million. The extra dividend is conditional upon a reduction of the statutory reserve. Such a reduction is decided at the AGM, after which application for dissolution of the statutory reserve will be made to the Swedish Companies Registration Office.

The Board of directors intends to propose that the AGM decide to apply for dissolution of the statutory reserve so that it can be used, after the extra dividend is paid out, to offset retained losses, and thereafter the remaining part be transferred to non-restricted equity. This means that the dividend is expected to be paid out approximately three months after the AGM.

Approval and adoption

As stated below, the annual report and consolidated annual report were approved on 6 March, 2014. The consolidated profit and loss accounts and statement of financial position as well as the profit and loss accounts and balance sheet of the Parent Company will be put before the Annual General Meeting for adoption on 6 May, 2014.

Statement of assurance

The Board of directors and the CEO hereby give their assurance that the annual report has been prepared in accordance with Generally Accepted Accounting Standards in Sweden and that consolidated financial statements have been prepared in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July, 2002, on the Application of International Accounting Standards.

The annual report and the consolidated financial statements give a true and fair view of the financial position and performance of the Group and the Parent Company.

The report of the directors for the Parent Company and the Group gives a true and fair view of the business activities, financial position and results of operations of the Parent Company and the Group, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Täby, 6 March, 2014

Patrik Tigerschiöld
Chairman of the Board

Katarina Bonde
Board member elected by AGM

Johan Densjö
Representing Unionen

Ulla-Britt Fräjdin-Hellqvist
Board member elected by AGM

Anders Jonsson
Board member elected by AGM

Magnus Lindquist
Board member elected by AGM

Eva Lindqvist
Board member elected by AGM

Peter Sundström
Representing Unionen

Lena Olving
President and CEO

Our audit report was submitted on 11 March, 2014.

Ernst & Young AB
Heléne Siberg Wendin
Authorized Public Accountant

Group

Profit and loss accounts

SEK thousand	Notes	2013	2012
Net sales	12	996,988	1,353,927
Cost of goods sold	7,8	-550,682	-742,020
Gross profit		446,306	611,907
Other operating income	10	2,623	1,981
Research and development expenses	11	-183,373	-289,967
Selling expenses	7,8	-149,014	-212,429
Administrative expenses	7,8,9	-78,885	-78,774
Other operating expenses	10	-5,386	-54,090
Operating profit/loss	7	32,271	-21,372
Financial income		4,116	7,651
Financial expenses		-533	-842
Net financial items	15	3,583	6,809
Profit/loss before tax		35,854	-14,563
Tax	17	-22,109	-29,409
Profit/loss for the year		13,745	-43,972
Earnings per share, before and after dilution, SEK		0.14	-0.45
Average number of shares, thousands		97,917	97,917

Statements of comprehensive income

SEK thousand	2013	2012
Profit/loss for the year	13,745	-43,972
Other comprehensive income		
Items to be reclassified to profit and loss		
Translation differences for the year	-16,638	-19,959
Tax relating to translation differences	-68	135
The year's changes in fair value on cash flow hedges	137	-
Transferred to profit/loss	-	520
Tax relating to items recognized in hedge reserve	-30	-137
Other comprehensive income for the year	-16,599	-19,441
Total comprehensive income for the year	-2,854	-63,413

The entire results are attributable to owners of Parent Company.

Statements of cash flow

SEK thousand	Notes	2013	2012
Operating activities			
Profit/loss before tax		35,854	-14,563
<i>Adjustments for non-cash items and other</i>			
Depreciation/amortization and impairment of assets		27,730	116,151
Capital loss on the sale of non-current assets		50	4,706
Unrealized foreign exchange differences		9,281	13,426
Provisions for employee benefits		536	1,500
Other provisions		-5,158	-369
Other non-cash items and other		-14,964	94,884
Paid income tax		-10,276	-51,964
		43,053	163,771
<i>Cash flow from changes in working capital</i>			
Inventories		-13,439	-32,578
Trade receivables		-50,110	-15,727
Other receivables		1,859	11,276
Trade payables		-13,205	-31,494
Other liabilities		-15,380	-25,309
Cash flow from operating activities		-47,222	69,939
Investing activities			
Sale of subsidiaries		-	-15
Investments in intangible assets	18	-31,356	-
Investments in tangible assets	19	-5,647	-8,604
Sale of tangible assets	19	11	601
Increase in non-current receivables	22	-1,297	-425
Decrease in non-current receivables	22	2,467	3,154
Cash flow from investing activities		-35,822	-5,289
Financing activities			
Repayment of debt		-2,045	-4,018
Cash flow from financing activities		-2,045	-4,018
The year's cash flow		-85,089	60,632
Cash and cash equivalents at beginning of year		581,083	536,369
Exchange differences in cash and cash equivalents		-8,705	-15,918
Cash and cash equivalents at end of year		487,289	581,083
Interest received and paid			
Interest received		4,482	7,695
Interest paid		-567	-719
		3,915	6,976
Other non-cash items and other			
Write down of inventory and similar items		12,288	55,821
Changes in provisions for restructuring		-27,252	34,348
Changes in provisions for variable salary		-	4,715
		-14,964	94,884

Statements of financial position

SEK thousand	Notes	31 dec, 2013	31 dec, 2012
ASSETS			
Intangible assets	18	132,770	118,502
Tangible assets	19	33,511	39,818
Non-current receivables	22	27,115	29,202
Deferred tax assets	17	88,356	96,406
Total non-current assets		281,752	283,928
Inventories	23	323,887	329,191
Tax receivables		13,734	12,506
Trade receivables	31, 33	259,633	218,757
Prepaid expenses and accrued income	24	11,822	22,299
Other receivables		23,364	24,290
Cash and cash equivalents		487,289	581,083
Total current assets		1,119,729	1,188,126
TOTAL ASSETS		1,401,481	1,472,054

SEK thousand	Notes	31 Dec, 2013	31 Dec, 2012
EQUITY AND LIABILITIES			
Equity			
Share capital		97,917	97,917
Other contributed capital		1,337,386	1,337,386
Reserves		-38,286	-21,687
Retained earnings including profit/loss for the year		-231,585	-245,330
Total equity		1,165,432	1,168,286
Liabilities			
Non-current provisions	26	11,274	12,445
Deferred tax liabilities	17	5,930	7,358
Total non-current liabilities		17,204	19,803
Current interest-bearing liabilities	25,33	-	2,312
Advance payments from customers		14,120	6,908
Trade payables	33	63,582	77,176
Tax liabilities		3,826	3,449
Other liabilities		20,166	30,403
Accrued expenses and deferred income	27	94,637	136,026
Current provisions	28	22,514	27,691
Total current liabilities		218,845	283,965
Total liabilities		236,049	303,768
TOTAL EQUITY AND LIABILITIES		1,401,481	1,472,054

Consolidated statements of changes in equity

The share capital consists of 97,916,509 (97,916,509) shares. The shares are of the same class and each share carries one vote.

SEK thousand	Share capital	Other contributed capital	Hedge reserve	Translation reserve	Retained earnings	Total equity
Equity, 1 January 2012	97,917	1,337,386	-383	-1,863	-201,358	1,231,699
Profit/loss for the year					-43,972	-43,972
Other comprehensive income						
Items to be reclassified to profit and loss						
Translation differences for the year				-19,959		-19,959
Tax relating to translation differences				135		135
Fair value of cash flow hedges transferred to net sales in profit and loss			520			520
Tax attributable to cash flow hedges			-137			-137
Total other comprehensive income			383	-19,824		-19,441
Total income and expenses recognized in equity, excl transactions with owners			383	-19,824	-43,972	-63,413
Equity, 31 December 2012	97,917	1,337,386	-	-21,687	-245,330	1,168,286
Profit/loss for the year					13,745	13,745
Other comprehensive income						
Items to be reclassified to profit and loss						
Translation differences for the year				-16,638		-16,638
Tax relating to translation differences				-68		-68
The year's change in fair value of cash flow hedges			137			137
Tax attributable to cash flow hedges			-30			-30
Total other comprehensive income			107	-16,706		-16,599
Total income and expenses recognized in equity, excl transactions with owners			107	-16,706	13,745	-2,854
Equity, 31 December 2013	97,917	1,337,386	107	-38,393	-231,585	1,165,432

The translation reserve contains differences arising on translation of foreign operations after 1 January, 2004.

Parent Company

Profit and loss accounts

SEK thousand	Notes	2013	2012
Net sales	12	286,288	478,765
Cost of goods sold	7	-134,497	-210,887
Gross profit		151,791	267,878
Research and development expenses	11	-70,441	-200,864
Selling expenses	7	-34,345	-93,577
Administrative expenses	7,9	-30,436	-34,030
Other operating income	10	2,882	728
Other operating expenses	10	-8,404	-44,983
Operating profit/loss		11,047	-104,848
<i>Result from financial investments</i>			
Interest income and similar items	15	3,859	69,283
Interest expenses and similar items	15	-364	-39
Profit/loss before tax		14,542	-35,603
Tax	17	68	-13,060
Profit/loss for the year		14,610	-48,664

Statements of other comprehensive income

SEK thousand	2013	2012
Profit/loss for the year	14,610	-48,664
<i>Other comprehensive income</i>		
<i>Items to be reclassified to profit and loss</i>		
Translation differences	-8	-449
Tax relating to translation differences	-68	118
Other comprehensive income for the year	-76	-331
Total comprehensive income for the year	14,534	-48,995

Cash flow statements

SEK thousand	Notes	2013	2012
Operating activities			
Profit/loss before tax		14,542	-35,603
<i>Adjustments for non-cash items and other</i>			
Depreciation/amortization and impairment of assets		10,034	90,266
Unrealized foreign exchange differences		-7,635	9,948
Capital loss on the sale of non-current assets		-	4,509
Provisions		-3,175	984
Not settled group contribution		-	-43,012
Other non-cash items and other		-9,175	34,337
Paid income tax		-	-
Cash flow from operating activities before changes in working capital		4,591	61,429
<i>Changes in working capital</i>			
Inventories		-53,816	-38,069
Trade receivables		-60,165	10,577
Other receivables		112,551	-16,054
Trade payables		-1,606	-1,083
Other liabilities		-3,394	-33,772
Cash flow from operating activities		-1,839	-16,972
Investing activities			
Sale of subsidiaries		-	-9
Investments in tangible assets	19	-2,108	-4,991
Sale of tangible assets	19	-	602
Increase in non-current receivables	22	-34	-
Decrease in non-current receivables	22	2,200	2,200
Cash flow from investing activities		58	-2,198
Cash flow from financing activities			
		-	-
The year's cash flow		-1,781	-19,170
Cash and cash equivalents at beginning of year		282,352	301,522
Cash and cash equivalents at end of year		280,571	282,352
<i>Additional information</i>			
Interest received and paid			
Interest received		4,168	7,197
Interest paid		-364	-39
		3,804	7,158
Other non-cash items and other			
Write down of inventory and similar items		12,915	4,757
Changes in provisions for restructuring		-22,090	25,926
Changes in provision for variable salary		-	3,662
Profit/loss from sale of subsidiaries		-	-8
		-9,175	34,337

Balance sheets

SEK thousand	Notes	31 Dec, 2013	31 Dec, 2012	SEK thousand	Notes	31 Dec, 2013	31 Dec, 2012
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				<i>Restricted equity</i>			
Intangible assets	18	107	3,281	Share capital		97,917	97,917
Tangible assets	19	22,626	27,376	Statutory reserve		1,141,707	1,141,707
<i>Financial assets</i>						1,239,624	1,239,624
Participation in group companies	20	365,356	351,053	<i>Non-restricted equity</i>			
Receivables from group companies	21	7,159	7,167	Fair value reserve		-1,265	-1,189
Other non-current receivables	22	18,914	21,080	Share premium reserve		201,916	201,916
Deferred tax assets	17	63,401	63,401	Accumulated deficit		-373,162	-324,498
Total financial assets		454,830	442,701	Profit/loss for the year		14,610	-48,664
Total non-current assets		477,563	473,358			-157,901	-172,435
Current assets				Total equity		1,081,723	1,067,189
Inventories	23	104,944	64,044	<i>Current liabilities</i>			
<i>Current receivables</i>				Advance payments from customers		8,119	525
Trade receivables		71,819	11,540	Trade payables		13,799	15,431
Receivables from group companies		222,716	331,403	Liabilities to group companies		3,764	1,128
Other receivables		5,206	6,291	Other liabilities		3,850	4,755
Tax receivables		3,383	3,185	Accrued expenses and deferred income	27	47,453	81,960
Prepaid expenses and accrued income	24	4,641	14,125	Current provisions	28	12,135	15,310
Total current receivables		307,765	366,544	Total current liabilities		89,120	119,109
Cash and cash equivalents		280,571	282,352	TOTAL EQUITY AND LIABILITIES		1,170,843	1,186,298
Total current assets		693,280	712,940				
TOTAL ASSETS		1,170,843	1,186,298				
<i>Pledged assets and contingent liabilities</i>							
At 31 December							
Pledged assets	30	89,000	89,000				
Contingent liabilities	29	-	-				

Parent Company statements of changes in equity

The share capital consists of 97,916,509 (97,916,509) shares. The shares are of the same class and each share carries one vote. The nominal value is 1 SEK.

SEK thousand	Share capital	Statutory reserve	Share premium reserve	Fair value reserve ¹⁾	Accumulated deficit incl result for the year	Total equity
Equity, 1 January 2012	97,917	1,141,707	201,916	- 859	-324,498	1,116,183
Profit/loss for the year					-48,664	-48,664
Other comprehensive income						
Items to be reclassified to profit and loss						
Translation differences recognized in other comprehensive income				- 448		- 448
Tax relating to items recognized in other comprehensive income				118		118
Other comprehensive income for the year				- 330		- 330
Total comprehensive income for the year				- 330	-48,664	-48,994
Equity, 31 December, 2012	97,917	1,141,707	201,916	- 1,189	-373,162	1,067,189
Profit/loss for the year					14,610	14,610
Other comprehensive income						
Items to be reclassified to profit and loss						
Translation differences recognized in other comprehensive income				- 8		- 8
Tax relating to items recognized in other comprehensive income				- 68		- 68
Other comprehensive income for the year				- 76		- 76
Total comprehensive income for the year				- 76	14,610	14,534
Equity, 31 December, 2013	97,917	1,141,707	201,916	-1,265	- 358,552	1,081,723

1) The fair value reserve in its entirety comprises the translation reserve.

Additional informations and notes

Note 1 Accounting policies, general information

Compliance with norms and laws

Micronic Mydata (publ) and its subsidiaries, together comprising the Group, are engaged in the development, manufacture and sales of advanced pattern generators for the production of photomasks and advanced equipment for surface mounting of electronic components. All development and manufacturing takes place in Sweden, while sales are generated almost exclusively outside Sweden. The subsidiaries are based in China, France, Germany, the UK, Japan, the Netherlands, Singapore, South Korea, Taiwan and the US. In addition, there are a large number of distributors and agents around the world.

The Parent Company is listed on the NASDAQ OMX, Stockholm in the category Small Cap, Information Technology.

The consolidated annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

The IFRSs that took effect for the fiscal year and which were introduced 1 January 2013 and which affect the Group is the change in IFRS 7 Financial Instruments: Disclosures, IFRS 13 Fair Value Measurement and the change in IAS 1 Presentation of Financial Statements.

The change in IFRS 7 has introduced new disclosure requirements in terms of off-setting financial assets and financial liabilities. The Group has both financial instruments that are offset in the balance sheet and financial instruments that are not offset in the balance sheet, but are covered by general agreements regarding offsetting. The new disclosure requirements are therefore applicable and information is provided in note 33.

IFRS 13 includes uniform rules for calculating the fair value and compiles the requirements in terms of reporting fair values. The introduction of IFRS 13 means that additional information needs to be submitted regarding the actual value of financial instruments. This information is provided in note 33.

The change to IAS 1 introduces new disclosure requirements for other comprehensive income, where items are divided into those that are to be reclassified to profit and loss and items that will never be reclassified to profit and loss. For the Group, this change means that a heading has been inserted into the comprehensive income report in order to clarify that the Group has only included items that will be reclassified to profit and loss.

In addition to the new items that took effect this year, the Group has also decided to apply the change to IAS 36 Impairment of Assets, in advance. This change removes the requirement to disclose the recoverable value of all cash-generating units to which goodwill has been allocated, which was introduced in conjunction with the introduction of IFRS 13. While the Group is applying this change in advance, this will have no effect on the information that needs to be submitted regarding impairment testing of goodwill, which can be found in note 18.

A number of new or revised IFRSs will take effect in the coming financial year and have not been applied early in the preparation of these financial reports, with the exception of the change in IAS 36, which is described above. The IFRSs that are expected to have an effect or may have an effect on the Group's financial statements are listed below. Besides the IFRSs that are described below, other new requirements that IASB approved as of 31 December 2013 is not expected to have any effect on the Group's financial statements.

IFRS 9, Financial Instruments is a new standard that is currently being created in order to replace IAS 39 Financial Instruments: Recognition and measurement. To date, subprojects regarding reporting and measuring financial assets and financial liabilities, as well as hedged accounting have been published. The projects that remain include impairment. IASB has decided not to set a final date for initial application until all of the subprojects are complete. EU has not yet approved the standard. While waiting for all parts of the standard to be completed, the Group has not yet evaluated the effects of the new standard.

The so-called Group package, which consists of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and changes to IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures took effect 1 January 2014 and have been approved by the EU. These are not expected to have any impact on the Group's financial reporting at present, except that more information will be submitted in future annual reports about shares in other companies.

The change to IAS 32 Financial Instruments: Classification, provides a clarification through a change to the section "Guidelines for application" in terms of when financial assets and liabilities can be offset. The clarification indicates what is meant by "legal right to offset" and what is meant by "items are settled on a net basis" in different situations. The change takes effect 1 January 2014 and is approved by EU. The Group is currently investigating whether this will affect their financial statements or not.

The interpretation of IFRIC 21 Levies clarifies when a liability for fees/taxes, which governmental or similar bodies charge companies in accordance with legislation/regulation with the exception of income tax, fines and penalties, should be reported. The interpretation indicates that a liability must be reported when the company has an obligation to pay the fees as a result of an event that occurred and it must be applied to the financial year that starts 1 January 2014 or later. This has not yet been approved by EU. An investigation is currently underway to determine how the Group will be affected by the interpretation.

Basis of valuation

The assets and liabilities are stated at cost, unless otherwise specified.

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the reporting currency of the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts are stated in SEK thousand unless otherwise specified.

Accounting estimates and classifications

The preparation of financial reports in accordance with IFRS requires the company's management to make certain accounting judgments, estimates and assumptions that affect how accounting policies are applied and the reports of the amounts of assets, liabilities, revenues and expenses. The actual results may differ from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Adjustments to estimates are reported for the period in which they occur if the change only affected this period or in the period that the change is made and future periods if the change affects both the current and future periods.

Assessments made by the company management in terms of applying IFRS that significantly impact financial reports and completed estimates and that can result in major adjustments to the financial reports for the subsequent year are described in more detail in Note 4.

Non-current assets and liabilities essentially consist of amounts that are expected to be recovered or settled later than twelve months from the closing date. Current assets and liabilities essentially consist of amounts that are expected to be recovered or settled within twelve months from the closing date.

Where applicable, any deviations from these principles for recovery or payment are specified in a note to the affected item in the statement of financial position.

Note 2 Accounting policies for the Group

Consolidated reporting

Subsidiaries are companies where the Parent Company has governing influence.

Governing influence is defined as the right to govern, directly or indirectly, a company's financial and operating policies for the purpose of gaining economic advantage.

The consolidated financial statements are prepared in accordance with the purchase method of accounting, whereby the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The Group's cost of acquisition is determined through a purchase price analysis in connection to the purchase. The analysis determines the acquisition value of the shares or operations, as well as the fair value on the date of acquisition for acquired identifiable assets as well as assumed liabilities or contingent liabilities. The cost of acquisition for the subsidiary shares and operations is measured as the aggregate of the fair values on the date of acquisition of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control of the acquired net assets, plus any costs directly attributable to the acquisition through 2009. Costs of acquisition after 2009 are charged directly to the year's profit and loss. In business combinations where the cost of acquisition exceeds the fair value of acquired assets, assumed liabilities and contingent liabilities that are reported separately, the difference is recognized as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the year's profit or loss.

The financial statements of the subsidiaries are included in the consolidated financial statement from the date of acquisition and up to the date on which governing influence passes from the Group.

Intra-group receivables and liabilities, revenues or costs and unrealized profits or losses that arise from intra-group transactions between group companies are eliminated in full when the consolidated financial statements are prepared.

Foreign currency translation

Functional currency

Items included in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environments in which the subsidiary operates (functional currency).

Transactions

Transactions in foreign currency are translated to the functional currency at the rate of exchange in effect on the transaction date.

Sales transactions in foreign currency within the pattern generator segment are translated at the spot rate with the exception of sales of spare parts and service contracts for which an approximate exchange rate for the month is used. Sales transactions in foreign currency in the surface mount technology segment are reported at an approximate exchange rate for the month. When a contract sale is hedged, the cumulative gain or loss on the hedging instrument, normally a forward exchange contract, is recognized in the profit and loss account when the hedged sales transaction affects profit or loss.

Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing day rate. Foreign exchange gains/losses arising on translation are recognized in the profit and loss account for the year. Non-monetary assets and liabilities carried at cost are translated at a rate of exchange that applied on the transaction date. Non-monetary assets and liabilities carried at fair value are translated to the functional currency at the rate of exchange prevailing on the date when the fair value was determined. Forward exchange contracts are used to protect assets and liabilities from foreign exchange risk. Hedge accounting is not applied for offsetting of foreign exchange risk since a financial hedge is reflected in the accounts, in that both the underlying asset/liability and the hedging instrument are translated at the closing day rate of exchange, while changes in the exchange rates are recognized through profit and loss. Foreign exchange differences arising on operating receivables and liabilities are recognized in the operating profit, while exchange differences arising on financial assets and liabilities are recognized among financial items.

Financial statements of foreign operations

Assets and liabilities in foreign group companies are translated from that company's functional currency to SEK at the closing day rate of exchange. Revenue and expenses in the respective group company's profit and loss account are translated to SEK at the average rate of exchange that is a reasonable approximation of actual rates on the respective transaction dates. All exchange differences arising from the translation of foreign operations are recognized in other comprehensive income and are accumulated in a separate translation reserve within consolidated equity.

Net investments in foreign operations

Exchange differences arising with the translation of long-term loans that form part of the net investment in a foreign operation are deferred to a translation reserve in equity together with the related tax effects. Investments in foreign subsidiaries are not hedged.

Accumulated translation differences are reported as a separate shareholders' equity category and include exchange differences as of the switch to IFRS on 1 January 2004. When a foreign operation is disposed of, the cumulative exchange differences relating to that foreign operation are realized through a reclassification from the translation reserve to the year's consolidated profit or loss.

Reporting of operating segments

A business segment is an identified part of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. A business segment's operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess performance. In the Group, this function has been identified as the CEO. The business segments correspond to the Group's business areas.

Intangible assets

Capitalized costs for business systems

Capitalized costs for business systems are recognized as intangible assets at cost with a deduction for accumulated amortization. The investment in a business system refers to costs incurred for adaptation and implementation of a fully integrated business system and consists of both internally generated and externally acquired assets. Capitalized costs for business systems are amortized straight-line over the expected useful life of the asset, which is three years. Amortization is initiated when the business system is ready for use. Costs for maintenance of the business system are expensed as they are incurred.

Capitalized development costs

Costs related to research undertaken with the prospect of gaining new scientific or technical knowledge in the Group's operations are expensed as they are incurred. Development projects where knowledge and understanding gained from research and practical experience are directed towards developing new products, processes or systems, are recognized as intangible assets in the statement of financial position when they meet the criteria for capitalization. Development costs may be capitalized if the company can demonstrate the technical and commercial feasibility of completing the product or process, the intention and ability to complete the development

and use or sell the asset. It must also be probable that future economic benefits related to the asset will flow to the company and the asset cost can be reliably measured. The reported value includes all directly attributable costs, such as those for materials and services as well as compensation to employees.

Other development costs are expensed in the profit and loss account for the period in which they arise.

Individual assessment is made of all ongoing research and development projects to determine which costs for the respective project are capitalizable and to look for any indications of impairment.

Amortization of capitalized development costs is started when the respective development project is completed, normally when it begins generating revenue and is carried out on a straight-line basis over a period of three years for pattern generators and five years for SMT equipment.

Goodwill

Goodwill is measured at a cost less accumulated impairment losses. Goodwill is distributed to cash-generating units and is tested for impairment at least annually. Goodwill is attributable to the acquisition of MYDATA automation AB and the surface mount segment.

Other intangible assets

Other intangible assets consist of brands and customer relationships, and are measured at cost less accumulated amortization and impairment losses. These assets are attributable to the acquisition of MYDATA automation AB.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and possible write-downs. The acquisition costs include the acquisition price as well as charges for transportation to the site and preparation efforts in order to use the equipment according to the intended purpose of the acquisition. Borrowing costs that are directly attributable to the purchase or production of assets that require a significant time to prepare for their intended use or for their sale are included in the acquisition costs.

The item Equipment includes self-produced equipment used primarily for research and development as well as test and training equipment. The acquisition cost of self-produced, non-current assets includes expenses for materials, employee benefits and salaries, other production costs that are considered to be directly attributable to the asset and estimated costs for the dismantling and disposal of the assets and restoring the location or area where they are located.

The reported value of a tangible asset is removed from the statement of financial position upon disposal or sale of the asset or when there are no future economic benefits anticipated from using or disposing/selling the asset. Gains/losses on the sale or disposal of tangible assets are calculated as the difference between the net realizable value and carrying amount of the item and are recognized in the profit and loss account among other operating income/expenses.

Subsequent expenses are added to the acquisition cost if it is likely that the future economic benefits of the assets will be realized by the company and the acquisition cost can be estimated reliably. All other additional expenditures are accounted as costs when they arise.

A future expense is added to the acquisition cost if the expense involves the replacement of identified components or parts thereof. In the cases where a new component has been produced, the expense is added to the acquisition cost. Any non-depreciated costs for replacement components or parts of such components are discarded and expensed as the replacement is made. Repairs are expensed on an ongoing basis.

Tangible assets are depreciated on a straight-line basis over their expected useful life starting from the month of preparation or acquisition as follows:

Land improvements	20 years
Clean room facilities	10 years
Other permanent equipment	5-40 years
Machinery and equipment	3-5 years
Computers	3 years

Costs related to PC computers are expensed as incurred.

Leases

Leases are classified either as financial or operating leases. A financial lease is a lease where the economic risks and benefits linked to the ownership are substantially transferred to the lessee. Other leases are classified as operating leases. All existing lease agreements, including property leases, are classified as operational leasing.

Assets that are leased according to operating leases are as a rule not reported as assets in the statements of financial position. Operating lease agreements do not give rise to liabilities. In these cases, the lease expense is reported within operating expenses, although not depreciation, in the profit and loss account. The property leasing charge, consisting of a fixed portion and an interest portion, is recognized as a rental expense in

the profit and loss account. Variable charges are expensed in the periods in which they are incurred.

Financial instruments

The financial assets recognized in the statement of financial position include cash and cash equivalents, loans and receivables and derivatives. Financial liabilities include trade payables, loans payable and derivatives.

Recognition and derecognition from the statement of financial position

A financial asset or liability is recognized in the statement of financial position when the company initially becomes party to the contractual provisions of the instrument. Financial assets are recognized when the company has performed and there is a contractual obligation for the counterparty to pay, even if no invoice has been sent.

Trade receivables are recorded in the statement of financial position when an invoice has been sent. Financial liabilities are recognized when the counterparty has performed and there is a contractual obligation to pay, even if no invoice has been received. Trade payables are recorded when an invoice has been received.

A financial asset is derecognized from the statement of financial position when the company's rights under the agreement are realized, expire or the company has relinquished control of the asset. The same applies for a part of a financial asset. A financial liability is derecognized from the statement of financial position when the obligation specified in the agreement is discharged or otherwise extinguished. The same applies for a part of a financial liability.

A financial asset and a financial liability are set off and netted in the statement of financial position only when a legal right of setoff exists and there is an intent and ability to set off and net these items or to simultaneously realize the asset and settle the liability.

Acquisitions and sales of financial assets are recognized on the trade date. The trade date is the date on which the company commits to acquire or sell the asset.

Classification and valuation

Non-derivative financial instruments are initially measured at cost, corresponding to fair value including transaction costs for all financial assets and liabilities not carried at fair value through profit or loss, which are measured at fair value less transaction costs. On initial recognition, a financial instrument is classified based on the intent for acquisition of the financial instrument. Subsequent measurement depends on how the instruments have been classified upon initial recognition as described below.

Derivative instruments are initially recognized at the fair value, which means that the transaction costs affect the profit/loss for the period. After the initial recognition, the derivative instrument is recognized as below. If derivative instruments are effectively used for hedge accounting, the changes in the value of the derivative instrument are listed on the same row in the annual report as the hedged item. Even if hedge accounting is not used, increases or decreases in the value of the derivative are respectively recognized as revenues or expenses in the operating profits or the net financial income or expense based on the purpose for using the derivative instrument and the extent to which using the derivative is related to an operating item or a financial item. With hedge accounting, ineffective portions are recognized in the same way as changes in the value of derivatives that are not used for hedge accounting.

Cash and cash equivalents comprise cash in hand at a bank or equivalent institutions and other highly liquid short-term investments that have original maturities of less than three months and are not subject to any material risk for value fluctuations. The Group has not held any short-term investments during the financial year.

Financial assets at fair value through profit or loss

This category consists of two subgroups - financial assets held for trading and other financial assets which the company has designated to this category. Assets in this category are subsequently measured at fair value with fair value changes recognized in profit or loss. A financial asset is classified as held for trading if it is acquired for the purpose of selling in the short term. Derivatives are classified as held for trading except when being used for hedging. Derivatives are classified as held for trading when hedge accounting is discontinued.

Loans and receivables

Loans and receivables are financial assets that are not derivatives, that have set or settleable payments, and that are not listed on an active market. These assets are measured as amortized cost. The amortized cost is determined based on the effective interest rate calculated at the date of acquisition. Trade receivables are reported at the amount in which they are expected to be received after deduction of probable credit losses.

Financial liabilities at fair value through profit or loss

This category consists of financial liabilities held for trading, such as derivatives not designated as hedging instruments. Liabilities in this category are subsequently measured at fair value and changes in fair value are recognized in profit or loss. Derivatives with negative fair value are classified as held for trading except for derivatives that are identified as efficient hedging instruments. Derivatives are classified as held for trading when hedge accounting is discontinued.

Other financial liabilities

Financial liabilities not held for trading are measured at amortized cost less transaction costs. This category includes the Group's loans payable and trades payable.

Derivatives used for hedging purposes

All derivatives are measured at fair value in the statement of financial position. Changes in the fair value of derivatives designated as fair value hedges are recognized in profit or loss.

Changes in the fair value of derivatives designated as cash flow hedges and hedges of net investments in foreign currency are recognized in other comprehensive income and cumulative changes are deferred to a special reserve in equity, the hedge reserve or translation reserve, until the hedged item is recognized in profit or loss. Net investments in foreign currency are currently not hedged.

Reporting of derivatives and hedges

Derivatives consist of forward exchange contracts that are used to reduce transaction exposure in foreign currencies and are not used for speculative purposes.

Derivatives are recognized in the statement of financial position and are measured at fair value. The method for reporting gains/losses arising from changes in the fair value of a derivative depends on whether the derivative has been identified as a hedge instrument and, in such case, the nature of the hedged risk. In hedge accounting, the Group identifies derivatives as:

- a hedge of a fair value of a recognized asset or liability or
- a firm commitment (fair value hedge)
- a hedge of a highly probable forecast transaction or the hedge of a foreign exchange risk in a firm commitment (cash flow hedge)
- a hedge of a net investment in foreign operations.

At present, only cash flow hedges are used.

When a contract is entered into, the relationship between the hedge instrument and the hedged risk is formally documented, including the company's risk management objective and strategy for undertaking the hedge. The Group also documents its assessment, both at the inception of a hedge and at each reporting date, on the effectiveness of the derivatives used in the hedge transaction in offsetting changes in the cash flows of the hedged item. Changes in the hedge reserve are recognized in other comprehensive income.

In the Group, derivatives that are used to hedge probable future commercial inflows in foreign currency, in other words, inflows from sales, and which meet the requirements for hedge accounting, are reported according to the rules for hedge accounting for cash flow hedges. This means that the effective portion of fair value changes on derivative instruments is recognized in the hedge reserve in other comprehensive income. The profit or loss attributable to the ineffective portion is recognized immediately in the profit and loss account. The fair value of derivatives is measured as the quoted market prices of currency and interest rates on the closing date.

Amounts accumulated in equity are reversed to profit or loss in the periods when the hedged item is reflected in profit or loss, i.e. upon revenue recognition.

When a hedged instrument expires, is sold or no longer meets the hedge accounting criteria and the cumulative gains/losses are deferred in equity, these gains/losses are retained in equity and are accounted for in profit or loss when the forecast transaction is finally recognized in the profit and loss account. The effective portion is recognized in net sales when the hedged item affects profit or loss, while the ineffective portion is recognized in other operating income/expense. When a forecasted transaction is not longer expected to occur, the cumulative gains/losses deferred in equity are immediately released to the profit and loss account among other operating income/expense.

Inventories

Inventories are valued at the lowest of acquisition value and net realizable value.

Inventories are carried out at cost calculated on a standard cost basis, which provides an approximate acquisition value and include costs of purchase, costs of conversion and other costs incurred in bringing the goods to their existing location and condition. Self-produced finished and semi-finished goods are valued with the approximate acquisition value according to the standard cost method, including a reasonable share of indirect manufacturing overheads based on normal capacity. The standard costs are regularly reviewed and revised when necessary based on current circumstances.

Net realizable value is the estimated selling price less the estimated costs for completion and selling costs. Deductions are made for internal profit arising from intra-group sales. The necessary obsolescence provision has been made.

Impairment

The carrying amounts of the Group's assets are reviewed at the end of each closing period to look for any indication that an asset may be impaired.

Impairment testing of tangible and intangible assets and participation in subsidiaries

If there is an indication of impairment, the asset's recoverable amount is calculated (see below). For goodwill and other intangible assets with indefinite useful lives and intangible assets that are not ready for use, the recoverable value is calculated annually. If it is not possible to establish an independent cash flow for an individual asset, and its fair value less the sales costs cannot be used, the assets are grouped during impairment testing at the lowest level at which the identifiable cash flow can be identified, a so-called cash-generating unit.

An impairment is recognized when the recorded value of asset or cash-generating unit (group of units) exceeds the recoverable value. An impairment is recognized as a cost in the profit and loss account for the year. When the need for impairment has been identified for a cash-generating unit (group of units) the impairment amount is

firstly distributed to goodwill. Then the remaining assets in the unit (group of units) are impaired proportionally.

The recoverable value is the highest of fair value less selling costs and the value in use. In measuring the value in use, future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment testing of financial assets

A review is carried out at the end of each reporting period to look for any indication that a financial asset may be impaired. Indications of impairment may arise from adverse changes in circumstances that affect the ability to recover an asset's carrying amount or parts thereof, such as assessment of trade receivables. The recoverable amount of financial assets carried at amortized costs is measured as the present value of future cash flows discounted at the effective interest rate on initial recognition. Assets with a short time to maturity are not discounted in calculating the recoverable value. Impairment losses are recognized in the profit and loss account.

Taxation

Income tax consists of current tax and deferred tax. Income tax is reported in the profit and loss account, except when underlying transactions were reported in other comprehensive income or in equity, whereby related tax effects are reported in other comprehensive income or in equity.

Current tax is the tax payable or refundable for the current year, with the tax rates enacted or substantively enacted by the closing date. Current tax also includes adjustment of current tax from previous periods.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the carrying amount of an asset or liability and its tax base. Temporary differences are not observed in the consolidated goodwill and neither for differences that arise on initial recognition of assets and liabilities that are not business combinations which at the date of the transaction do not affect either the recognized or taxable profit. Also not observed are temporary differences for shares in subsidiaries that are not expected to be reclassified in the foreseeable future. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be recognized or paid. Deferred tax is calculated using the tax rates and tax regulations enacted or substantively enacted by the closing date.

Deferred tax assets for deductible temporary differences and tax loss carry-forwards are only recognized to the extent that they are expected to be used. The value of deferred tax assets is reduced when it is no longer expected to be used.

Any additional income tax that arises in relation to dividend is recognized on the same date as the dividend is recognized as a liability.

Employee benefits

Pension commitments

Pension commitments are fulfilled through payment of premiums according to a defined contribution pension plan. A defined contribution pension plan is classified as the plans where a company's obligation is limited to the charges the company has undertaken to pay. In such cases, the size of the employee's pension is dependent on the charges paid by the company to the plan or to an insurance company and the capital return offered by the charges. Consequently, the employee carries the actuarial risk (that the compensation may be lower than expected) and the investment risk (that the invested assets will be insufficient to offer the expected compensation). The company's obligations regarding changes to defined contribution plans are charged to the profit and loss account for the period in which the employees render the related service to the company.

Other long-term employee benefits

In the Japanese subsidiary, there is a long-term employee benefit obligation. When employment ceases, through termination or retirement, the accumulated amount of benefit is paid out immediately.

Termination benefits

An expense is recognized on the termination of employees only when the company is demonstrably committed, without realistic possibility of withdrawal, by a detailed, formal plan to terminate an employee or group of employees before the normal retirement date. When termination benefits are provided as a result of an offer made to encourage voluntary redundancy, the expense is recognized if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Short-term employee benefits

For short-term employee benefits, the undiscounted amount of benefits expected to be paid in respect of service rendered in a period are recognized in that period. A provision for the expected cost of profit sharing and bonus payments is recognized when the Group has a legal or informal obligation to make such payments in respect of service rendered by employees and a reliable estimate of the expected cost can be made.

Provisions

A provision is different from other liabilities because the payment time or the size of the payment is not clear. A provision is recognized in the statement of financial position when there is a legal or informal obligation as a result of an event occurring, and

it is likely that an outflow of financial resources will be needed to meet the obligation and that this amount can be reliably estimated.

Provisions are made using the best estimate of what will be required to fulfill the existing obligation on the closing date. If the time at which the payment is made is significant, provisions are calculated by discounting the anticipated future cash flow at a pre-tax interest rate that reflects the current market assessments of the time value of money, and if appropriate, the risks that are associated with the liability.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical data regarding warranties and an overall review of potential outcomes in relation to the probabilities of such outcomes.

Restructuring

A provision for restructuring is recognized when there is an established, detailed and formal restructuring plan, and the restructuring has either been started or has been made public. No provisions are made for future operating costs.

Revenue recognition

The company's net sales consist of revenue arising from the sale of goods (systems and system upgrades, spare parts and accessories) and services. Sales are denominated mainly in USD, EUR and JPY.

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the company and when the amount of revenue can be measured reliably. Revenue arising from the sale of goods to a customer is recognized upon delivery in accordance with the agreed conditions of sale and delivery, i.e. when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is reported net of any discounts.

Revenue related to the sale of services, primarily linked to service agreements, is recognized upon provision of the service. Service agreements that are invoiced in advance are progressively recognized over the term of the agreement. Service contracts that are invoiced in arrears are reported as income over the course of the agreement.

Expense recognition

Expense recognition of the delivered goods occurs in connection with the delivery of goods and recognition of income from a sale. Expense recognition implies that all expenses for the delivered goods are recognized in the profit and loss account. The expenses include all remaining expenses at the delivery date, including provisions for setup and warranty. These are reported under "Accrued expenses" and "Short-term provisions" in the statement of financial position. The costs for setting up a system at a customer site is limited in relation to the value of the system as a whole. When setup is completed at the customer site, a warranty period begins and normally lasts for 12 months.

Costs for the provision of service are expensed as incurred.

Financial income and expenses

Financial income consist of interest income on invested assets, and dividends. Dividend is reported when the right to receive dividends has been established.

Financial expenses consist mainly of interest expenses on loans. Borrowing costs are recognized using the effective interest method, except when directly attributable to purchasing, construction or production of assets that take considerable time to complete for the intended use or sales, in which case they are included in the acquisition value of the assets.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received by contract parties that are part of the effective interest, transaction costs and all other premiums and discounts.

Operating expenses

The Group's expenses mainly refer to materials and supplies, personnel costs and other external expenses, primarily consisting of consulting fees. An assessment is made of costs incurred but not invoiced by suppliers for work performed during the financial year, and a corresponding provision is recognized in Accrued expenses in the statement of financial position. Costs related to research are expensed as incurred. Costs for development projects that meet the criteria for capitalization are reported as intangible assets.

Earnings per share

Earnings per share are calculated on consolidated profit for the year attributable to shareholders in the Parent Company divided by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated on profit for the period and the average number of shares outstanding adjusted for the effects of all dilutive potential shares, which during the reported periods consisted of options/warrants granted to employees. Dilution from options affects the number of shares and only occurs when the strike price falls below the market price, and increases in proportion to the difference between the strike price and the market price. The strike price is adjusted with an addition for the value of future services linked to equity-paid employee stock

option programs recognized as share-related in accordance with IFRS 2. The Group does not currently offer an employee stock option program or any other stock option programs.

Note 3 Accounting policies of the Parent Company

The annual financial statements of the Parent Company are presented in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities (January 2013). The Swedish Financial Reporting Board's statements for listed enterprises are also applied. RFR 2 means that in the report for the legal entity, the Parent Company shall apply all EU-approved IFRSs and statements as far as possible within the framework of the Annual Accounts Act, the law of safeguarding pension commitments and with respect to the connection between accounting and taxation. The recommendation indicates which exceptions and additions to IFRS shall be made.

The differences between the Group's and the Parent Company's accounting policies are shown below. The accounting policies for the Parent Company shown below have been consistently applied to all periods presented in the Parent Company's financial statements.

Changes in accounting policies

Unless otherwise specified below, the Parent Company's accounting policies in 2013 have been modified in accordance with what is specified above for the Group.

Classification and disposition

A profit and loss account and a statement of comprehensive income are reported for the Parent Company and the Group. The Parent Company is using the titles of balance sheet and cash flow analysis for the statements that in the Group are titled as statement of financial position and statement of cash flows. Profit and loss account and balance sheet for the Parent Company are presented according to the Swedish Annual Accounts Act structure, while the statement of comprehensive income, report of changes in equity and cash flow analysis are based on IAS 1 Presentation of Financial Statements and IAS 7 Consolidated Cash Flow Statements.

Development expenses

All costs, for both research and development, are expensed as incurred.

Leases

The Parent Company classifies all leases as operating leases, which means that the lease expense is recorded as an operating expense in the profit and loss account.

Taxation

In the Parent Company, untaxed reserves are reported gross, including equity and the deferred tax portion, in contrast to the Group reporting. In the Parent Company, correspondingly, appropriations are reported gross, including deferred tax liabilities.

Group contribution

Group contributions received are reported as dividends and group contributions submitted are reported as investments in subsidiaries.

Subsidiaries

In the Parent Company, participation in group companies are accounted for according to the purchase method. This means that transaction expenses are included in the reported value of holding in subsidiaries. Transaction expenses are recognized in the consolidated financial statements directly in the earnings when these arise. The Parent Company recognizes the full amount of dividends received from subsidiaries as revenue in profit or loss for the year.

Intra-group receivables that comprise net investments in foreign operations

The Parent Company's long-term loans to a foreign subsidiary that form part of the Parent Company's net investment in the foreign subsidiary are translated at the closing day rate of exchange. Foreign exchange differences arising on translation of such monetary items are recorded separately within a translation reserve in equity.

Financial instruments and hedge accounting

In view of the connection between accounting and taxation, the rules on financial instruments and hedge accounting in IAS 39 are not applied by the Parent Company as a legal entity.

In the Parent Company, financial assets are valued at cost, less any impairment and financial current assets at the lower value of cost or net realizable value. The acquisition cost for interest-bearing instruments is adjusted for accrual difference between initial cost, less transaction costs, and the sum paid on the closing date (premiums and discounts).

When hedging receivables and liabilities in foreign currency using forward contracts, the spot exchange rate is used on the day when the currency is hedged to value the hedged receivable or liability. The difference between the forward contract rate and the spot rate at the time of entering into the contract (forward premium) is allocated over the life of the forward contract. Allocated forward

premiums are reported as other operating income and other operating expenses, respectively.

Note 4 Critical accounting estimates and assumptions

The company management and the audit committee discuss the development, selection and information regarding the Group's critical accounting policies and estimates, as well as the application of these policies and estimates.

Critical estimates when applying the Group's accounting policies

The preparing of financial statements to conform with IFRS requires the management to make certain assumptions that affect the application of the company's accounting policies. When preparing the financial statements, the company's management is also required to make certain estimates and assumptions about the future that affect the reported amounts of assets and liabilities on the closing date. Revenues and expenses are also affected by the estimates. The actual results may differ from these estimates. The key assumptions and estimates are specified below.

Capitalized development costs

Development projects where knowledge and understanding gained from research and practical experience are directed towards developing new products, processes or systems, are recognized as intangible assets in the statement of financial position when they meet the criteria for capitalization. Development costs may be capitalized if the company can demonstrate the technical and commercial feasibility of completing the product or process, the intention and ability to complete the development and use or sell the asset. It must also be probable that future economic benefits related to the asset will flow to the company and the acquisition cost can be reliably measured. The reported value includes all directly attributable costs, such as those for materials and services as well as compensation to employees. Individual assessment is made of major ongoing research and development projects to determine whether these criteria have been met.

However, because it may be difficult to distinguish between research and development projects, this judgment can be affected by individual interpretations.

Evaluating useful life periods and impairment requirements for capitalized development costs

The company regularly reviews capitalized development costs to look for any indication of impairment. Each development project is individually tested for impairment at least yearly through an estimation of discounted future cash flows that includes intangible assets not yet completed.

This valuation is made and judged by the company management and is also reviewed by the audit committee.

Amortization of intangible assets is based on the estimated useful life of the asset. Depending on which useful life is determined for an asset, this can have a significant impact on the Group's reported profit. The expected residual value of an intangible asset at the end of its useful life is always set to zero.

Amortization of capitalized development costs is started when the respective development project is completed, and when it begins generating revenue. At that time, a straight-line amortization is started over a three to five year period.

The reported value of goodwill and brand with unidentified useful life is tested for impairment at least once a year. The impairment test is based on value in use, which in turn is normally based on cash flow estimates for five years for the cash-generating entity to which the values belong. These assessments can have a large impact on the Group's reported profit.

Deferred tax assets

Deferred tax assets concern temporary differences and tax loss carry-forwards and are only recognized to the extent that they are expected to be used. The Group's deferred tax assets consist largely of capitalized tax assets on loss carry-forwards in Sweden. The reported value of the tax assets is tested at least once a year. In such a test, the tax assets are put against future taxable profits, based on the management's estimates using forecasting and strategic plans. See note 17 for more information about deferred tax.

Note 5 Capital management

The Board of Micronic Mydata AB established new financial objectives and a new dividend policy in 2013. The Board oversees the Group's capital structure and financial management, approves matters related to acquisitions, investments and financing and continuously monitors the Group's exposure to financial risks.

The financial objectives include growth, earnings and capital structure.

Micronic Mydata AB defines capital as equity according to the balance sheet, SEK 1,165,432 (1,168,286) thousand, less unrealized gains/losses reported in other comprehensive income included in the hedge reserve, SEK 1,165,325 (1,157,055) thousand.

Neither the Parent Company nor any of the subsidiaries is subject to any external capital requirements.

Note 6 Events after the end of the financial year

There have been no events after the end of the year which have any significant effects on the Group's results or financial position.

Note 7 Items affecting comparability

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Write-down of LDI assets	–	90,000	–	90,000
Restructuring of operations	–	38,128	–	28,399
Operating profit/loss	–	128,128	–	118,399

The operating profit 2013 is not affected by non-recurring costs. Write downs of LDI assets 2012 were reported as cost of goods sold, development expenses and selling expenses. Out of the total, SEK 90 million, SEK 63 million is related to write down of tangible assets and SEK 27 million is related to write-down of inventories. Costs related to restructuring of operations 2012 were reported as other income/expenses.

EBIT comparison

	GROUP	
	2013	2012
Operating profit/loss according to profit and loss account	32,271	–21,372
Net capitalization/amortization of R&D	–23,900	15,974
LDI development, excl write-down	38,202	141,456
Write down LDI assets	–	90,000
Restructuring of operations	–	38,128
Amortization on acquired intangible assets	6,458	6,458
EBIT comparable	53,031	270,644

The table illustrates the effect of a number of items in a comparison of operating profit between 2012 and 2013.

Note 8 Operating expenses

	GROUP	
	2013	2012
<i>Costs allocated by type of cost (excl work performed by the company for its own use and capitalized)</i>		
Raw materials and consumables	309,697	466,223
Changes in finished goods and products in progress	–16,184	–12,583
Personnel costs	425,576	476,549
Depreciation and write-down	27,730	116,151
Other external costs	268,980	361,523
	1,015,799	1,407,863

Intra-group transactions:

Of the parent company's purchases this year SEK 128 (256) million was attributable to group companies. Of the parent company's sales this year SEK 172 (197) million was attributable to group companies.

Note 9 Fees for auditing and non-auditing services

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
<i>Fees and compensation, auditing, etc</i>				
Auditing assignments, EY	1,960	–	600	–
Auditing assignments, KPMG	–	1,836	–	225
Non-auditing assignments, EY	100	–	100	–
Non-auditing assignments, KPMG	–	128	–	128
Tax counselling, EY	221	–	–	–
Tax counselling, KPMG	–	1,303	–	1,180
Other assignments, KPMG	–	588	–	588
	2,281	3,855	700	2,121

Auditing assignments refer to the auditing of the consolidated financial statements, the accounts and the administration of the board of directors and the CEO, other tasks that befall on the company's auditor and advice or other assistance prompted by observations from such audits or the performance of such tasks. All other work is classified as other assignments or counselling. The 2013 AGM elected EY as auditor.

Note 10 Other operating income/expenses

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Other operating income				
Other	2,623	1,981	2,882	728
	2,623	1,981	2,882	728
Other operating expenses				
Foreign exchange losses	4,375	11,455	8,404	14,208
Restructuring	–	38,128	–	28,399
Other	1,011	4,507	–	2,376
	5,386	54,090	8,404	44,983
of which, positive exchange rate differences on non-hedge accounting derivatives	5,139	7,177	4,938	4,092

Note 11 Research and development expenses

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
<i>R&D expenditure</i>				
Pattern generators	71,694	200,072		
SMT equipment	130,979	69,321		
	202,673	269,393	70,441	200,864
<i>Capitalized development</i>				
SMT equipment	–31,356	–		
	–31,356	–	–	–
<i>Amortization on capitalized development</i>				
SMT equipment	7,456	15,974		
	7,456	15,974	–	–
R&D costs	178,773	285,367	70,441	200,864
Amortization on acquired technology	4,600	4,600	–	–
Reported cost	183,373	289,967	70,441	200,864

Note 12 Segment reporting

	2013			
	Pattern generators	SMT equipment	Group-wide	Group
<i>Income</i>				
Income from external customers	379,363	617,625	–	996,988
Total income	379,363	617,625	–	996,988
No customer represents more than 10 percent of total sales				–
Gross profit	190,769	255,537		446,306
Gross margin, %	50	41		45
<i>Operating expenses and profit/loss before tax</i>				
R&D expenditure	–71,694	–130,979	–	–202,673
Capitalized development costs	–	31,356	–	31,356
Amortization of capitalized development costs		–7,456	–	–7,456
Amortization of acquired intangible assets			–4,600	–4,600
Selling expenses	–53,773	–93,383	–1,858	–149,014
Administrative expenses	–38,343	–40,542	–	–78,885
Other operating income and expenses	–5,711	2,948	–	–2,763
Financial income and expenses	–	–	3,583	3,583
Profit/loss before tax	21,248	17,481	–2,875	35,854
<i>Assets</i>				
Capitalized development	–	41,378	–	41,378
Inventories	222,078	101,809	–	323,887
Trade receivables	126,120	133,513	–	259,633
<i>Investments</i>				
Capitalized development	–	31,356	–	31,356

	2012			
	Pattern generators	SMT equipment	Group-wide	Group
<i>Income</i>				
Income from external customers	576,395	777,532	–	1,353,927
Total income	576,395	777,532	–	1,353,927
One customer in Asia represents more than 10 percent of total sales				242,625
Gross profit	275,968	335,939	–	611,907
Gross margin, %	48	43		45
<i>Operating expenses and profit/loss before tax</i>				
R&D expenditure	–200,072	–69,321	–	–269,393
Amortization of capitalized development costs	–	–15,974	–	–15,974
Amortization of acquired intangible assets			–4,600	–4,600
Selling expenses	–106,607	–103,964	–1,858	–212,429
Administrative expenses	–40,467	–38,307	–	–78,774
Other operating income and expenses	–19,387	–2,817	–29,905	–52,109
Financial income and expenses	–	–	6,809	6,809
Profit/loss before tax	–90,565	105,556	–29,554	–14,563
<i>Assets</i>				
Capitalized development	–	17,478	–	17,478
Inventories	219,510	109,681	–	329,191
Trade receivables	114,352	104,405	–	218,757
<i>Investments</i>				
Capitalized development	–	–	–	–

Note 12 cont'd.

Net sales per geographical market	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Sweden	19,702	28,762	8,094	9,774
Europe outside Sweden	287,583	368,222	–	1,202
Americas	232,448	337,165	4,162	30,036
Asia	445,010	614,679	274,032	437,753
Other markets	12,245	5,099	–	–
Total	996,988	1,353,927	286,288	478,765
of which, system sales	457,095	759,578	61,937	227,686
of which, aftermarket sales	539,893	594,349	224,351	251,079
	996,988	1,353,927	286,288	478,765

Non-current assets per geographical market	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Sweden	155,498	146,050	22,733	30,657
Europe outside Sweden	2,730	2,284	–	–
Americas	498	472	–	–
Asia	7,555	9,514	–	–
Total	166,281	158,320	22,733	30,657

The company has two segments. One segment comprises operations in the pattern generator business area, consisting of development, manufacture and marketing of a series of extremely accurate laser pattern generators for the production of photomasks. The systems are used by electronics companies in the manufacture of displays and semiconductors.

The systems for photomask production are produced in a similar way despite different application areas, are distributed in a similar manner and are largely sold to the same customers regardless of application area.

The other segment comprises operations in the SMT equipment business area, consisting of development, manufacture and marketing of advanced surface mount equipment for flexible electronics production. The equipment is used for stencil-free jetting of solder paste on PCBs and surface mounting of electronic components on PCBs.

The accounting principles of the segments are the same as for the Group. Net sales per geographical market is established based on the domicile of the customer.

Note 13 Depreciation/amortization by function

	Customer relationships	Business system	Development expenses	Tangible fixed assets	Total
Group 2013					
Cost of goods sold		632		5,016	5,648
Research and development expenses		592	4,600	3,383	8,575
Research and development, capitalized development costs			7,456		7,456
Selling expenses	1,858	88		851	2,797
Administrative expenses		1,863		1,391	3,254
	1,858	3,175	12,056	10,641	27,730
Group 2012					
Cost of goods sold		596		7,374	7,970
Research and development expenses		628	4,600	10,242	15,470
Research and development, capitalized development costs			15,974		15,974
Selling expenses	1,858	105		9,034	10,997
Administrative expenses		1,922		452	2,374
	1,858	3,251	20,574	27,102	52,785
Parent Company 2013					
Cost of goods sold		632		2,667	3,299
Research and development expenses		592		3,621	4,213
Selling expenses		88		302	390
Administrative expenses		1,863		269	2,132
		3,175		6,859	10,034
Parent Company 2012					
Cost of goods sold		596		3,762	4,358
Research and development expenses		628		11,080	11,708
Selling expenses		105		8,585	8,690
Administrative expenses		1,922		221	2,143
		–	3,251	–	23,648
					26,899

Note 14 Employees, personnel costs and remuneration to senior executives

Remuneration to the Board	2013			2012		
	Board fees	Committee fees	Total	Board fees	Committee fees	Total
Patrik Tigerschiöld, Board Chairman	500	-	500	500	-	500
Magnus Lindquist, chairman of the audit committee	200	50	250	200	50	250
Katarina Bonde	200	-	200	200	-	200
Anders Jonsson	200	-	200	200	-	200
Ulla-Britt Fräjdin-Hellqvist	200	-	200	200	-	200
Eva Lindqvist	200	-	200	200	-	200
Total remuneration to the Board	1,500	50	1,550	1,500	50	1,550

Salaries and remuneration	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
The Board, CEO and other senior executives	26,397	35,409	13,155	17,267
Other employees	269,114	303,008	118,360	134,006
Total salaries and remuneration	295,511	338,417	131,515	151,273
Social security expenses	77,601	84,058	47,453	52,938
Pension costs	36,347	35,724	23,053	22,075
Total	409,459	458,199	202,021	226,286

Senior executives in the Group include CEOs in subsidiaries. Board and executives in the Parent Company consist of 13 (13) persons and in the Group 23 (23) persons.

The reported remuneration to employees includes variable salary payable on the attainment of financial goals for the Group and in some cases individual goals at an amount of SEK 14 (21) million excluding social security expenses, of which SEK 4 (4) million refer to the Parent Company.

Remuneration to CEO and other senior executives 2013	Basic salary	Other remuneration	Variable salary	Other benefits	Pension costs	Total	Consultant fees
Lena Olving, CEO from 15 July, 2013	2,231	766	24	142	784	3,947	-
Lars Josefsson, CEO until 15 July, 2013	-	-	-	-	-	-	3,500
Other senior executives (6 persons)	7,977	565	41	223	2,153	10,959	-
Total remuneration to CEO and other senior executives	10,208	1,331	65	365	2,937	14,906	3,500

Remuneration to CEO and other senior executives 2012	Basic salary	Other remuneration ¹⁾	Variable salary	Other benefits	Pension costs	Total	Consultant fees
Lars Josefsson, CEO from 20 November, 2012	-	-	-	-	-	-	665
Peter Uddfors, CEO until 20 November, 2012	3,120	6,063	225	84	878	10,370	-
Other senior executives (6 persons)	9,766	2,174	2,138	515	2,911	17,504	1,578
Total remuneration to CEO and other senior executives	12,886	8,237	2,363	599	3,789	27,874	2,243

1) Other remuneration 2012 includes termination benefits to former CEO Peter Uddfors in an amount of SEK 6,017 thousand and to other senior executives in an amount of SEK 1,364 thousand, excluding social security expenses.

Remuneration to the Board and other senior executives Principles

The members of the Board receive remuneration according to the decision of the AGM. Members of the Board appointed by Unionen do not receive remuneration. No fees are paid to the boards of the subsidiaries.

The total remuneration for the CEO and other senior executives consists of basic salary, variable salary, other benefits and pension benefits. Other benefits consist of company car, housing, travels and free healthcare insurance.

Other senior executives refer to the six individuals who, together with the CEO make up the executive management team. The executive management team is further presented on page 29.

The principles for remuneration to the CEO and other senior executives are approved by the AGM. The principles for remuneration to the CEO and other senior executives are prepared by the Board's remuneration committee. The board passes a decision on the proposed principles, which is then put to the AGM for approval.

In handling matters related to remuneration, external advice is sought when necessary. The main principle is to offer senior executives market based remuneration and other terms of employment. Actual levels of remuneration are determined on the basis of factors such as competency, experience and performance.

Remuneration and benefits of the CEO

Lena Olving is the CEO since 15 July, 2013. The variable salary is set with a maximum amount equal to 70 percent of an annual salary. Other benefits consist of housing, company car, free travels by train and free healthcare insurance. The cost for pension and health insurance benefits equals 35 percent of basic salary.

According to agreement, the basic monthly salary amounted to SEK 320,000. Other remuneration in 2013 include compensation for loss of remuneration from former employer. Variable salary is paid according to the fulfillment of Group financial targets. In 2013, the Group partly met its financial targets. Variable salary for 2013 has not been paid out yet but has been accrued for at an amount of SEK 24 thousand.

The employment contract with Lena Olving specifies a notice period of twelve months in the event of dismissal by the company. Lena Olving is entitled to basic salary and other benefits during the notice period, after which no benefits are payable. After the notice period she is entitled to termination benefits corresponding to 12 months' salary.

The employment contract with Lena Olving specifies a retirement age of 62 years. Until 15 July, 2013, Lars Josefsson held the position of acting CEO. He received a monthly consultant fee of SEK 500 thousand for the assignment.

Note 14 cont'd.

Remuneration and benefits of other senior executives

At the end of 2013 the senior executive team consisted of 7 (7) persons including the CEO, of which 2 (0) women.

The variable salary is set in a maximum amount equal to 50 percent of an annual salary. Pension and health insurance is in the form of defined contribution pension premiums. Other benefits consist of company car benefits and free healthcare insurance. Variable salary is based on Group financial targets as well as individual targets. In 2013, the Group partly met its financial targets and variable salary for 2013 will be paid in an amount of SEK 41 thousand. The variable remuneration is not yet paid out but accrued for. In 2013, variable salary for 2012 was paid in an amount of SEK 886 thousand.

The retirement age for other senior executives is 65 years. Except for the defined contribution pension premiums, there are no other pension obligations.

For other senior executives there is a notice period of six months in the event of dismissal by the company, and after that period, termination benefits equal to six months' salary. The employment contract, with related benefits, is valid during the notice period. In cases where termination benefits are received, no other benefits are payable.

% of women	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Board	8	8	38	38
Other senior executives	12	–	29	–

Average number of employees	2013		2012	
	Total	of which women	Total	of which women
<i>Parent Company</i>				
Sweden	211	42	244	47
Total in Parent Company	211	42	244	47
<i>Subsidiaries</i>				
Sweden	88	12	102	16
France	11	1	12	1
Japan	53	8	57	8
China	27	5	21	4
The Netherlands	9	1	8	1
Singapore	7	2	8	2
The UK	10	2	10	2
South Korea	24	2	26	3
Taiwan	3	1	3	1
Germany	21	3	19	3
The US	50	11	50	11
Total in subsidiaries	303	48	316	52
Total in Group	514	90	560	99

Note 15 Net financial items

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Interest income from group companies	–	–	73	78
Other interest income (loans and receivables)	4,116	7,651	3,786	6,872
Dividends	–	–	–	19,313
Group contribution	–	–	–	43,012
Net result of sale of subsidiaries	–	–	–	8
Financial income/Interest income and similar items	4,116	7,651	3,859	69,283
Interest expenses group companies	–	–	244	–
Other interest expenses	533	827	120	39
Net result of sale of subsidiaries	–	15	–	–
Financial expenses/Interest expenses and similar items	533	842	364	39
Financial net/Result from financial investments	3,583	6,809	3,495	69,244

Note 16 Leases

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Operating leases				
The year's expensed lease charges (operating leases)	27,791	29,138	4,902	8,726
of which, variable fees	5,934	8,104	2,196	5,106
<i>Future payments under operating leases and other lease agreements (nominal):</i>				
Within one year	25,825	23,535	12,047	12,267
Between one and five years	77,795	67,875	49,593	50,378
Later than five years	86,428	94,941	78,699	94,941
<i>Future payments under operating leases and other lease agreements (present value):</i>				
Within one year	25,385	23,808	11,084	11,261
Between one and five years	71,636	64,788	43,737	46,165
Later than five years	64,700	73,601	58,881	73,601

The major part of leasing contracts refers to premises.

Note 17 Taxes

Group	2013	2012
Recognized in profit and loss		
<i>Current tax</i>		
The year's tax expense	-15,800	-24,540
	-15,800	-24,540
<i>Deferred tax</i>		
Deferred tax on temporary differences	-6,309	9,568
Deferred tax on the year's change in capitalized loss carryforwards	-	-14,437
	-6,309	-4,869
Total reported tax in the Group	-22,109	-29,409

Reconciliation of effective tax rate	2013	2012
Profit/loss before tax	35,854	-14,563
Tax according to applicable tax rate in the Parent Company	-22.0%	26.3%
Effect of different tax rates in foreign subsidiaries	-15.4%	-25.7%
Non-deductible/non-taxable items	-2.6%	1.0%
Effect of loss carryforwards previously not capitalized	0.0%	0.3%
Increase in loss carryforwards without corresponding capitalization of deferred tax	-20.3%	-97.9%
Effect of changed corporate tax rate	-	-86.1%
Other	-1.5%	-19.9%
Reported effective tax	-61.7%	-201.9%

Tax items recognized in other comprehensive income	2013	2012
Value changes on derivatives used for hedging of foreign exchange risk in cash flow hedges	-30	-137
Exchange differences on foreign currency loans treated as net investments in foreign subsidiaries	-68	135
	-98	-2

Recognized deferred tax assets and liabilities	2013		2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tangible assets	767	-3	791	-10
Intangible assets		-15,030		-11,193
Derivatives used as hedge instruments		-129		-137
Trade receivables	2,018		699	
Inventories	14,075		19,085	
Provisions	4,159		4,768	
Accrued expenses	2,277		1,922	
Other	1,518		306	
Loss carryforwards	72,774		72,817	
Deferred tax assets/liabilities	97,588	-15,162	100,388	-11,340
Setoff	-9,232	9,232	-3,982	3,982
Net deferred tax assets/liabilities	88,356	-5,930	96,406	-7,358

Setoff is carried out within the same tax item. At 31 December, 2013 the Group's deferred tax assets net amounted to SEK 82,426 (89,048) thousand. Of the year's changes in deferred tax assets, in total SEK -6,622 (-9,309) thousand, SEK -6,309 (-4,869) thousand was recognized in the profit and loss and SEK -313 (-4,440) thousand was recognized in other comprehensive income.

At the end of 2013, the Group's accumulated loss carryforwards amounted to SEK 704 (672) million. In the consolidated statements of financial position, deferred tax assets were recognized at an amount of SEK 73 (73) million, corresponding to loss carryforwards of SEK 331 (332) million. The tax assets regarding loss carryforwards refer to the Swedish companies and can be used without any time limit.

Note 17 cont'd.

Parent Company	2013		2012	
Recognized in profit and loss				
<i>Current tax</i>				
The year's tax expense		68		-118
		68		-118
<i>Deferred tax</i>				
Deferred tax on temporary differences		-		-551
Deferred tax on the year's change in capitalized loss carryforwards		-		-12,392
		-		-12,943
Total reported tax in the Parent Company		68		-13,060
Reconciliation of effective tax rate	2013		2012	
Profit/loss before tax		14,542		-35,603
Tax according to applicable tax rate in Parent Company	-22.0%	-3,199	26.3%	9,364
Non-deductible/non-taxable items	0.5%	66	13.5%	4,801
Increase in loss carryforwards without corresponding capitalization of deferred tax	-	-	-40.1%	-14,282
Tax on group contribution	21.6%	3,147	-	-
Effect of changed corporate tax rate	-	-	-34.8%	-12,392
Other	0.4%	54	-1.5%	-551
Reported effective tax	0.5%	68	-36.7%	-13,060
Tax items recognized directly in equity			2013	2012
Exchange differences on foreign currency loans treated as net investments in foreign subsidiaries			-68	118
			-68	118
Reported deferred tax assets and liabilities	2013		2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tangible assets			-	-
Accumulated tax loss carryforwards	63,401		63,401	-
Deferred tax assets/liabilities	63,401		63,401	-

The Parent Company had accumulated loss carryforwards of SEK 628 (625) million at year end. In the Parent Company deferred tax assets have been capitalized at an amount of SEK 63 (63) million, corresponding to accumulated loss carryforwards of SEK 288 (288) million.

Note 18 Intangible assets

Group	Business system		Development costs		Technology		License	
	2013	2012	2013	2012	2013	2012	2013	2012
<i>Accumulated cost</i>								
Opening balance at 1 January	29,754	29,762	732,414	732,414	23,000	23,000	17,084	17,084
Reclassifications	-	-8	-	-	-	-	-	-
Investments during the year	-	-	31,356	-	-	-	-	-
Closing balance, accumulated cost at 31 December	29,754	29,754	763,770	732,414	23,000	23,000	17,084	17,084
<i>Accumulated amortization</i>								
Opening balance at 1 January	-26,474	-23,223	-714,936	-698,962	-16,100	-11,500	-17,084	-17,084
The year's amortization	-3,174	-3,251	-7,456	-15,974	-4,600	-4,600	-	-
Closing balance, accumulated amortization at 31 December	-29,648	-26,474	-722,392	-714,936	-20,700	-16,100	-17,084	-17,084
Closing balance, residual value at 31 December	107	3,281	41,378	17,478	2,300	6,900	-	-
Group	Customer relationships		Brand		Goodwill		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<i>Accumulated cost</i>								
Opening balance at 1 January	13,000	13,000	20,000	20,000	64,344	64,344	899,596	899,604
Reclassifications	-	-	-	-	-	-	-	-8
Investments during the year	-	-	-	-	-	-	31,356	-
Closing balance, accumulated cost at 31 December	13,000	13,000	20,000	20,000	64,344	64,344	930,952	899,596
<i>Accumulated amortization</i>								
Opening balance at 1 January	-6,502	-4,644	-	-	-	-	-781,095	-755,413
The year's amortization	-1,858	-1,858	-	-	-	-	-17,088	-25,682
Closing balance, accumulated amortization at 31 December	-8,360	-6,502	-	-	-	-	-798,183	-781,095
Closing balance, residual value at 31 December	4,640	6,498	20,000	20,000	64,344	64,344	132,770	118,502

Note 18 cont'd.

Parent Company	Business system		License			Total
	2013	2012	2013	2012	2013	2012
<i>Accumulated cost</i>						
Opening balance at 1 January	29,754	29,754	17,084	17,084	46,839	46,839
Investments during the year	–	–	–	–	–	–
Closing balance, accumulated cost at 31 December	29,754	29,754	17,084	17,084	46,839	46,839
<i>Accumulated amortization</i>						
Opening balance at 1 January	–26,472	–23,221	–17,084	–17,084	–43,557	–40,307
The year's amortization	–3,174	–3,251	–	–	–3,174	–3,251
Closing balance, accumulated amortization at 31 December	–29,646	–26,472	–17,084	–17,084	–46,732	–43,558
Closing balance, residual value at 31 December	107	3,281	–	–	107	3,281

The investment in a business system refers to costs incurred for adaptation and implementation of a fully integrated business information system. Capitalized costs include both internally produced and externally acquired assets.

An individual assessment has been made of all ongoing research and development projects. Development costs that meet the criteria for capitalization are recognized in intangible assets. Capitalized costs consist of internally produced assets.

The externally acquired license refers to the right to exploit knowhow in direct writing, and relates to patent rights under the agreement with the Fraunhofer Institute for Microelectronic Circuits and System (IMS).

In 2009 the acquisition of MYDATA led to the recognition of assets attributable to excess values.

Information about depreciation/amortization by function is provided in Note 13.

Impairment testing of intangible assets

In connection with the acquisition of MYDATA, excess values were identified in the company's technology, brand, customer relationships, order backlog, inventories and goodwill.

The excess values in inventories and the order backlog were amortized in full during 2009.

The excess values in technology and customer relationships have estimated useful lives of five and seven years, respectively, and are amortized over these periods.

The excess values in the brand and goodwill with indefinite useful lives are determined through impairment testing of the cash-generating unit based on the unit's value in use. The cash-generating unit referred to is business area SMT.

Impairment testing of goodwill and brand with indefinite useful lives

At least yearly Micronic Mydata tests the reported value of goodwill and brand with indefinite useful lives for impairment. This is done by assessing the value in use of business area SMT.

The value in use is based on cash flow forecasts, built on the management's business plan for the coming five years. After the business plan period, the expected growth rate is 2 (2) percent. The discount factor used to determine recoverable value is 15.2 (13.6) percent before tax and 12.5 (11) percent after tax. The most important assumptions in the five year business plan relate to sales volumes, margins, operating profit, capital expenditure and discount factors.

Because the recoverable value thus calculated exceeds the carrying amount, no indication of impairment has been reported. Impairment due to probable changes in important assumptions is not expected.

Note 19 Tangible assets

Group	Improvements to leased property		Machinery and equipment		Construction in progress			Total
	2013	2012	2013	2012	2013	2012	2013	2012
<i>Accumulated cost</i>								
Opening balance 1 January	4,273	3,655	404,058	333,655	472	72,159	408,803	409,469
Purchases during the year	–	–	5,502	8,329	145	276	5,647	8,605
Reclassifications to equipment	–	–	472	67,635	–472	–67,635	–	–
Reclassifications to products in progress	–	–	–13,622	–	–	–	–13,622	–
Reclassifications from components	–	–	–	4,351	–	–	–	4,351
Reclassifications to improvements to leased property	–	1,200	–	–	–	–1,200	–	–
Other reclassifications	–	–	–	–77	–	873	–	796
Historical cost sold/scrapped equipment	–	–582	–25,474	–8,281	–	–4,001	–25,474	–12,864
The year's foreign exchange differences	–	–	–1,254	–1,554	–	–	–1,254	–1,554
Closing balance, accumulated cost at 31 December	4,273	4,273	369,682	404,058	145	472	374,100	408,803
<i>Accumulated depreciation and write-down</i>								
Opening balance 1 January	–833	–61	–368,152	–285,985	–	–	–368,985	–286,046
Depreciation reclassifications to products in progress	–	–	13,622	–	–	–	13,622	–
Depreciation of sold/scrapped equipment	–	–	25,415	7,576	–	–	25,415	7,576
Other reclassifications	–	–	–	–45	–	–	–	–45
Write-down	–	–	–	–63,368	–	–	–	–63,368
The year's depreciation	–793	–772	–9,848	–26,330	–	–	–10,641	–27,102
Closing balance, accumulated depreciation at 31 December	–1,626	–833	–338,963	–368,152	–	–	–340,589	–368,985
Closing balance, residual value at 31 December	2,647	3,440	30,719	35,906	145	472	33,511	39,818

Note 19 cont'd.

Parent Company	Improvements to leased property		Machinery and equipment		Construction in progress			Total
	2013	2012	2013	2012	2013	2012	2013	2012
<i>Accumulated cost</i>								
Opening balance 1 January	4,273	3,655	269,603	197,745	472	72,159	274,348	273,559
Purchases during the year			1,963	4,716	145	276	2,108	4,992
Reclassifications to equipment			472	67,635	-472	-67,635	-	-
Reclassifications to products in progress			-13,622				-13,622	-
Reclassifications from components				4,351			-	4,351
Reclassifications to improvements to leased property		1,200				-1,200	-	-
Other reclassifications				-166		873	-	707
Historical cost sold/scrapped equipment		-582	-18,793	-4,678		-4,001	-18,793	-9,261
Closing balance, accumulated cost at 31 December	4,273	4,273	239,623	269,603	145	472	244,041	274,348
<i>Accumulated depreciation and write-down</i>								
Opening balance 1 January	-833	-61	-246,139	-164,082			-246,972	-164,143
Depreciation reclassifications to products in progress			13,622				13,622	-
Depreciation of sold/scrapped equipment			18,793	4,150			18,793	4,150
Other reclassifications				36			-	36
Write-down				-63,368			-	-63,368
The year's depreciation	-793	-772	-6,066	-22,875	-	-	-6,859	-23,647
Closing balance, accumulated depreciation at 31 December	-1,626	-833	-219,790	-246,139	-	-	-221,416	-246,972
Closing balance, residual value at 31 December	2,647	3,440	19,833	23,464	145	472	22,626	27,376

Write-down of machinery and equipment in 2012, SEK 63 million, refer to LDI-related assets.

Note 20 Participation in Group companies

	PARENT COMPANY	
	2013	2012
Opening balance, historical cost	353,460	353,560
Group contribution to MYDATA automation AB	14,303	-
Sale of Micronic Treasury AB	-	-100
Closing balance, accumulated cost	367,763	353,460
Opening balance, impairment	-2,407	-2,407
Closing balance, accumulated impairment	-2,407	-2,407
Closing balance, book value	365,356	351,053

	Corp. ID no.	Domicile	Number of shares	% of capital	Book value
<i>Directly owned subsidiaries</i>					
Micronic Mydata Japan K.K.	607215	Tokyo	200	100	3,823
Micronic Laser Systems, Inc.	94-3344558	Wilmington	500	100	4,390
Micronic Laser Systems Far East Ltd.	80271004	Taipei	1,600,000	100	4,332
Micronic Laser Systems Korea Co. Ltd.	134111-0136974	Anyang	810	100	12,832
MYDATA automation AB	556238-6739	Täby	6,149,261	100	334,122
Micronic Mydata (Shanghai) Co., Ltd	310000400631000	Shanghai	-	100	5,857
					365,356
<i>Indirectly owned subsidiaries</i>					
MYDATA automation S.A.S.		France	10,000	100	630
MYDATA automation Ltd.		The UK	24,000	100	278
MYDATA automation, Inc.		The US	10,000	100	1,379
MYDATA automation Asia Pte Ltd.		Singapore	1,000	100	477
MYDATA automation B.V.		The Netherlands	180	100	160
MYDATA Royonic GmbH		Germany	4	100	15,010

Note 21 Receivables from Group companies

	PARENT COMPANY	
	2013	2012
Opening balance, book value	7,167	7,616
Deductions	-8	-449
Closing balance, book value	7,159	7,167

Note 22 Other non-current receivables

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Opening balance, book value	29,202	32,876	21,080	23,280
Additions	956	286	34	-
Deductions	-3,043	-3,960	-2,200	-2,200
Closing balance, book value	27,115	29,202	18,914	21,080

Receivables mainly refer to deposits regarding lease of premises and pension insurance premiums for employees in Japan. Deductions primarily refer to the released portion of the deposit for future lease charges.

Note 23 Inventories

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Components	78,047	87,265	-	-
Spare parts	104,151	116,420	12,230	11,945
Finished goods	125,563	94,507	90,754	48,930
Products in progress	16,127	30,999	1,960	3,169
	323,887	329,191	104,944	64,044

Write-down and similar costs at a value of SEK 12 (56) million have been charged to consolidated operating profit. Write-downs 2012 refer to impairment of LDI-related assets and components.

Note 24 Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Sales revenues	3,266	6,347	781	4,968
Other	8,556	15,952	3,860	9,157
	11,822	22,299	4,641	14,125

Note 25 Interest-bearing liabilities/Liabilities to credit institutions

	GROUP	
	2013	2012
<i>Current interest-bearing liabilities</i>		
Current portion of bank loans	-	2,312
	-	2,312
Total interest-bearing liabilities	-	2,312
Bank loans fall due for payment as follows:		
Within one year	-	2,312
Between one and five years	-	-
	-	2,312

Note 26 Non-current provisions

	GROUP	
	2013	2012
<i>Employee benefits</i>		
Opening balance, book value	12,445	12,758
The year's deductions	-1,562	-313
The year's provision	391	-
Closing balance, book value	11,274	12,445

In the Japanese and South Korean subsidiaries, provisions are made for long-term employee benefits. On certain conditions, a lump-sum payment is made to employees when their employment is terminated, either due to retirement or when the employee leaves the company for some other reason.

Note 27 Accrued expenses and deferred income

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Setup costs	3,423	3,845	3,210	3,845
Salaries and social expenses	44,986	58,288	25,495	35,185
Commissions	3,952	3,080	590	656
Other	42,276	70,813	18,158	42,274
	94,637	136,026	47,453	81,960

Accrued setup costs consist of the estimated remaining costs for setting up a system at a customer site. These costs are estimated on an individual basis.

Costs for setup are easy to assess and are also small in relation to the value of the system as a whole. When setup is completed, a warranty period begins and normally lasts for twelve months.

For 2012, the item Other included restructuring costs of SEK 38 million in the Group and SEK 28 million in the Parent Company.

Note 28 Current provisions

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
<i>Warranty provisions</i>				
Opening balance, book value	24,343	24,815	11,962	10,864
The year's provision	17,503	23,957	7,124	11,576
Utilized during the year	-18,346	-17,762	-6,721	-7,041
Unutilized during the year	-4,330	-6,667	-3,574	-3,437
Closing balance, book value	19,170	24,343	8,791	11,962
Other provisions	3,344	3,348	3,344	3,348
	22,514	27,691	12,135	15,310

Accrued warranty costs include the estimated remaining costs for warranty commitments. These costs are estimated on an individual basis for each system that is shipped to a customer. A provision for warranty commitments is made in connection with revenue recognition.

Note 29 Contingent liabilities

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Future payment obligations to joint ventures	121	117	-	-
Repurchase obligation relating to trade receivables	2,140	2,934	-	-
	2,261	3,051	-	-
of which, falling due:				
within one year	115	956	-	-
between one and five years	2,146	2,095	-	-
	2,261	3,051	-	-

Note 31 Trade receivables, impairment, age analysis and other information

Group	2013		2012	
	Gross	Impairment	Gross	Impairment
Trade receivables not yet due	223,596	143	173,673	22
Trade receivables, overdue 0–30 days	21,608	-	9,109	93
Trade receivables, overdue >30–90 days	5,709	360	32,351	152
Trade receivables, overdue >90–180 days	4,299	164	1,929	280
Trade receivables, overdue >180–360 days	4,427	418	4,496	1,672
Trade receivables, overdue >360 days	2,447	1,368	336	918
	262,086	2,453	221,894	3,137

Provisions for doubtful trade receivables have been accounted for at an amount expected to flow in. Other trade receivables are considered to have high credit quality. No collateral is furnished, other than documentary credits and credit insurance in certain cases. The maximum credit risk exposure refers to the reported value of trade receivables.

Five customers represent 40 percent of total trade receivables. For further information on customer concentration and customer risk see note 32.

Provisions for doubtful trade receivables	GROUP	
	2013	2012
Opening balance, book value	3,137	4,135
Additions	547	272
Deductions	-98	-729
Unutilized	-1,133	-541
Closing balance, book value	2,453	3,137

Note 30 Pledged assets

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Collateral provided for liability items in the balance sheet				
<i>Credit institutions</i>				
Floating charges	121,700	121,700	89,000	89,000
	121,700	121,700	89,000	89,000

Note 32 Financial risks

Financial risks arise due to negative fluctuations in Micronic Mydata's earnings and cash flow as a consequence of movement in exchange rates and interest rates, credit risks and financing risks. The single largest financial risk is exchange rate fluctuations.

Financial risks are managed in accordance with the finance policy established by the Board.

Foreign exchange risk – transaction exposure

Transaction exposure is the risk that changes in exchange rates for sales and sourcing in foreign currencies will affect consolidated earnings and the value of assets and liabilities.

Micronic Mydata's sales are done almost exclusively in foreign currency. Most of the Group's expenses are incurred in Swedish kronor.

Sales of surface mount equipment occur primarily in US dollars and Euros. All sales within business area PG are in foreign currency, primarily US dollars, Japanese yen and Korean won.

Changes in exchange rates have a greater impact on income than on expenses. Micronic Mydata's net currency exposure is significant (refer to the table below for revenue and expenses by currency). Currency hedging is undertaken in accordance with the established finance policy.

For sales of pattern generators the company uses forward exchange contracts to hedge contracted cash flows, which consist of orders received. As the delivery date approaches, the hedged portion of the respective contracted inflows increases. Forecasted inflows not covered by underlying orders are not hedged. Hedge accounting is used within business area PG.

For sales of surface mount equipment, forward exchange contracts, corresponding to at least 50 percent of the order backlog in Euros and US dollars, are sold. Hedge accounting is not used within business area SMT.

Effects from transaction exposure

If sales for 2013 within business area PG were translated at the average exchange rates for 2012, without consideration given to forward exchange contracts, sales revenues would have been SEK 44 million higher. The major part refers to Japanese yen. Turnover was only slightly affected by forward exchange contracts. The operating profit for the business area was positively affected by SEK 5 million as a result of forward exchange contracts.

If sales for 2013 within business area SMT were translated at the average exchange rates for 2012, sales revenues would have been SEK 20 million higher. The operating profit for the business area was affected slightly positively by forward exchange contracts.

Based on 2013 sales volumes and expenses, without consideration given to forward exchange contracts, the effect on consolidated operating profit of a 10 percent change in the exchange rate of the most important currencies compared to the Swedish krona would be about SEK 60 (86) million. Equity would be affected in the same amount after tax.

Foreign exchange risk – translation exposure

Translation exposure is the risk Micronic Mydata is exposed to when translating the financial statements of subsidiaries to Swedish kronor.

Effects from translation exposure

Micronic Mydata's policy is to not hedge translation exposure in the financial statements. At end of 2013, net investment in foreign subsidiaries was SEK 233 million. Translation of the balance sheets of foreign subsidiaries to Swedish krona generated a translation difference of SEK -17 (-20) million after tax.

A change of 1 percent against those currencies where Micronic Mydata has foreign net investments would affect the Group's equity by SEK 2 million after tax.

Interest risk

Interest risk refers to the risk for changes in interest rate levels affecting consolidated earnings.

Micronic Mydata's interest risk is limited. Investments in interest-bearing financial instruments or bank accounts with fixed interest are done in accordance with liquidity plans, meaning that investments, which may not exceed six months, are held to maturity. During 2013, no investments were made in interest-bearing financial instruments.

The Group held no interest-bearing liabilities at the end of 2013.

Credit risks

Credit risk is partly tied to sales and partly to liquidity management. For sales, there is a risk that customers do not fulfill their payment obligations. For liquidity management, there is a risk that the counterparty will not be able to fulfill its payment obligations.

Exposure to credit risks

Micronic Mydata sells only a few pattern generators to a limited number of customers, which concentrates the credit risk. Customers are, however, major manufacturers of photomasks where the pattern generator comprise a small portion of the equipment in a production facility. Customers are well-known and have good credit worthiness historically. In order to reduce customer credit risk, Micronic Mydata strives to obtain advances from customers to the highest degree possible. Especially in business transactions with new customers or within new geographic areas, the credit risk is managed through Micronic Mydata requiring letters of credit or other collateral.

Sales of SMT equipment are spread over a large number of customers and the credit risk is therefore limited. Credit risk is managed through credit control. Credit limits are established and monitored.

Credit exposure in trade receivables at year-end was SEK 260 (219) million. The average credit period was 57 (42) days for business area SMT and 75 (68) days for business area PG. For information on the ageing structure of trade receivables and provisions for doubtful trade receivables, see note 31.

Financial investments are made in high quality financial instruments or in bank deposits. Micronic Mydata's maximum financial credit exposure consists of the fair values of financial assets, see note 33. At year-end 2013, the total financial credit exposure was SEK 488 (584) million, of which SEK 487 (581) million was liquid assets.

Liquidity risks

Liquidity risk refers to the risk that the counterparty may not be able to meet its payment obligations on the settlement date.

Micronic Mydata's net cash at the end of 2013 was SEK 487 million. Investments of excess liquidity are done in such a way that the Group assumes no significant liquidity risk. This means that excess liquidity is placed in bank deposits or in other interest-bearing instruments where it is possible to liquidate on short notice. Liquidity is monitored continuously. Liquidity forecasts are compiled quarterly in order to provide a basis for decisions on possible investments.

Liquidity reserve

SEK million	2013	2012
Credit line	35	35
Cash and cash equivalents	487	581
Total	522	616

Revenue and expenses by currency, 2013

Currency	% of revenue	% of expenses	Average rate, 2013	Average rate, 2012	Year-end rate, 2013	Year-end rate, 2012
USD	42	12	6.5140	6.7754	6.5084	6.5156
EUR	26	14	8.6494	8.7053	8.9430	8.6166
JPY (100)	16	8	6.6877	8.5067	6.1788	7.5627
GBP	3	1	10.1863	10.7340	10.7329	10.4914
SEK	2	61	1.000	1.0000	1.000	1.0000
KRW (100)	10	2	0.5954	0.6017	0.6178	0.6092

Note 33 Financial assets and liabilities

The following table present the Group's financial assets and liabilities, stated at book and fair value and classified in the categories

Derivatives, hedge accounting

Derivatives, non-hedge accounting, recognized in profit and loss at fair value

Loans and receivables, including cash and cash equivalents

Other liabilities

Fair value and carrying amount are recognized in the statements of financial position according to the table below:

The fair value of forward exchange contracts is based on current market prices on currencies and interests on the closing date (level 2 according to fair value hierarchy).

Risk management

A description of the Group's risks and risk management is provided in the report of the directors' according to IFRS 7 and in note 32.

Group 2013	Derivatives, hedge accounting	Derivatives, non-hedge accounting	Loans and receivables	Other liabilities	Total carrying amount	Total fair value
Trade receivables			259,633		259,633	259,633
Other receivables						
Currency						
SEK			277,145		277,145	277,145
USD	137	533	27,935		28,605	28,605
JPY			38,653		38,653	38,653
EUR		11	24,898		24,909	24,909
GBP			17,253		17,253	17,253
TWD			1,258		1,258	1,258
KRW			94,783		94,783	94,783
SGD			283		283	283
CNY			5,081		5,081	5,081
Total assets	137	544	746,922		747,603	747,603
Of which, cash and cash equivalents			487,289			
Financial liabilities						
Trade payables				63,582	63,582	63,582
Total liabilities				63,582	63,582	63,582
Recognized profit (change in value)		5,139				

Financial liabilities, maturity structure, Group

Group 2013	Currency	Nom. amount in original currency	Total SEK thousand	Within 1 month	1–3 months	3 months – 1 year	1–5 years	5 years and later
Trade payables								
Trade payables	SEK	39,807	39,807	25,077	14,730			
Trade payables	EUR	1,585	14,170	12,289	1,881			
Trade payables	JPY	49,025	3,029	3,029				
Trade payables	USD	881	5,734	5,251	407	76		
Trade payables	GBP	7	78	58		20		
Trade payables	SGD	11	55	55				
Trade payables	CZK	1,571	512	503	9			
Trade payables	CNY	58	63	63				
Trade payables	CHF	18	134	134				
Total			63,582	46,459	17,027	96		

Note 33 cont'd.

Outstanding forward exchange contracts at 31 december 2013

The Group's holdings of forward exchange contracts at 31 December, 2013, can be broken down into the following underlying amounts and maturities. The forward contracts fall due at a time when the secured flows are expected to affect earnings.

	Currency	Amount, thousand	Value, TSEK	Maturity
EUR, sold	EUR	1,700	23	Q 1–14
USD, sold	USD	9,963	592	Q 1–14
USD, sold	USD	570	34	Q 2–14
USD, sold	USD	1,710	215	Q 1–15
USD, sold	USD	190	25	Q 2–15
Total			889	

Group 2012	Derivatives, hedge accounting	Derivatives, non-hedge accounting	Loans and receivables	Other liabilities	Total carrying amount	Total fair value
Trade receivables			218,757		218,757	218,757
Other receivables						
Currency						
SEK			373,315		373,315	373,315
USD		423	17,852		18,275	18,275
JPY		2,646	84,168		86,814	86,814
EUR		22	53,136		53,158	53,158
GBP			9,036		9,036	9,036
TWD			1,368		1,368	1,368
KRW			40,065		40,065	40,065
SGD			274		274	274
CNY			1,869		1,869	1,869
Total assets		3,091	799,840		802,931	802,931
Of which, cash and cash equivalents			581,083			
Financial liabilities						
Liabilities to credit institutions				2,312	2,312	2,312
Trade payables				77,176	77,176	77,176
Other financial liabilities				11,408	11,408	11,408
Total liabilities				90,896	90,896	90,896
Recognized profit (change in value)		7,177				

Financial liabilities, maturity structure, Group

Group 2012	Currency	Nom. amount in original currency	Total SEK thousand	Within 1 month	1–3 months	3 months – 1 year	1–5 years	5 years and later
Bank loans								
Bank loans	JPY	30,575	2,322	212	423	1,687		
Trade payables								
Trade payables	SEK	49,319	49,319	34,083	15,236			
Trade payables	EUR	1,927	16,600	14,714	1,886			
Trade payables	JPY	41,541	3,142	3,093	49			
Trade payables	USD	1,139	7,419	6,225	782	412		
Trade payables	GBP	33	347	314		33		
Trade payables	SGD	10	53	53				
Trade payables	CZK	863	296	286	10			
Other financial liabilities								
Other financial liabilities	JPY	150,848	11,408	4,492	6,916			
Total			90,906	63,472	25,302	2,132	–	–

Auditor's report

To the annual meeting of the shareholders of Micronic Mydata AB (publ),
corporate identity number 556351-2374

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Micronic Mydata AB for the year 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 34–63.

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 judgement, 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.

Other matters

The audit of the annual accounts for 2012 was performed by another auditor who submitted an auditor's report dated 26 February 2013, with unmodified opinions in the Report on the annual accounts.

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 Micronic Mydata AB 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. 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 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 which we have obtained is sufficient and appropriate in order to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the loss be dealt with 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.

Stockholm 11 March, 2014
Ernst & Young AB

Heléne Siberg Wendin
Authorized Public Accountant

Technical glossary

AMOLED

AMOLED (Active-Matrix, Organic Light-Emitting Diode) is built on a TFT (Thin Film Transistor) back panel.

Direct writer LDI

Exposure equipment intended for writing directly on a component that is itself ultimately incorporated into an electronics product.

Display panel

The panel is the part of the electronics product that generates and displays the image. In addition to this, the product (TV, computer, cell phone) normally includes many other components such as loud-speaker, keyboard, semiconductor, associated mechanics etc.

Dispensing equipment

Dispensing systems for the manufacturing of electronics are used to apply dots or strings of glue or solder paste on circuit boards.

Electronic packaging

The manufacturing step that packages a semiconductor chip so that it is protected and can be connected to other electronics components in electronic equipment.

G6 to G10 plants (G=generation)

To increase efficiency, the trend among panel makers is to use larger substrates when panels are manufactured. The most modern generation is G10, where the substrates are about 3x3 meters large.

Jet Printing

A technology to apply solder paste on the PCB (printed circuit board) without touching it.

LCD

LCD (Liquid Crystal Display), the dominating technology for the manufacturing of flat panel displays. LCD is based on liquid crystal material and is used in the most common type of flat panel displays. There are two main types of LCD: passive (PM-LCD or TN/STN LCD) and active (TFT-LCD).

LED

Light Emitting Diodes, so called LEDs are used as light source in the thinnest TFT-LCD panels.

Litography

A technique to transfer a design (pattern) from a template to a solid material.

Mask writer

Exposure equipment used for the manufacture of photomasks.

Pattern generator

Pattern generator is a collective term for mask writers and direct writers.

Nanometer, nm

One billionth of a meter (10^{-9} m), or one millionth of a millimeter.

Pick and Place

Term for automated machines that pick and place electronic components on a PCB (printed circuit board).

PoP (Package on Package)

PoP is a technology to increase the PCBs packing density. Electronic components are stacked upon each other, for example a memory chip is mounted directly on a processor.

Photomask

A photomask can be described as a photo negative. The image on the negative is written with a pattern generator from Micronic Mydata and transferred to the end product through a lithographic process. The photomask consists of a transparent substrate of glass or quartz that is covered with a thin layer of chrome and a film of photoresist, a light sensitive material that can be developed and washed away once it has exposed. After writing, the photoresist is developed and the pattern is transferred to the chrome layer by etching.

Semiconductor chip/component

An electronic component containing more than one circuit element on the same silicon chip, such as memories, processors and amplifiers.

Solder paste

Material that creates electrical and mechanical connection between the PCB and its electronic components.

SMT (Surface Mount Technology)

The dominating technology for the production of electronics. The components are mounted directly on the PCB surface instead of being hole mounted.

Substrate for electronic packaging

A micro circuit board used as an adapter between a semiconductor chip and a PCB. The adapter aligns the contact points on the advanced chip to the contact points on the less advanced PCB. The substrate is often made of organic material similar to plastic film.

TFT-LCD

A TFT-LCD is an active LCD panel providing better image quality and faster response than a passive LCD panel. It is the standard technology for flat panel computer monitors, laptops and LCD-TVs. TFT-LCD is also common in mobile phones. The active LCD panels have a Thin Film Transistor (TFT) in each pixel.

UHD

Ultra High Definition. UHD is a new standard for TV resolution with significantly higher resolution than previously.

Symbols



Aviation

SMT equipment is used in the manufacturing of advanced electronics to be used within space, aviation and defense.



Energy

Advanced circuit boards are parts of wind turbines.



Transport

The transport sector include automotive and train industry.



Medical

Elektronics are key content in advanced medical equipment.



Communication

Communication equipment include mobile phones and tablets.



Industry

Industrial equipment include robot control systems and automation systems.



Flat panel displays

Flat panel displays are essential in TVs and in hand-held electronics products. Advanced photomasks are necessary in the display manufacturing.



Semiconductors

Semiconductors are part of all electronics products. Photomasks are needed in the manufacturing of semiconductors.



Computers

Computers, both stationary and laptots, comprise electronics.



Shareholder information

Financial reporting 2014

Interim report Januari–March, 24 April.

Interim report Januari–June, 15 July.

Interim report Januari–September, 28 October.

Financial information

The annual report is available on the company website www.micronic-mydata.com on 7 April, 2014, at the latest.

Financial reports and press releases are published on the website.

It is also possible to subscribe for press releases and financial reports through the website.

Distribution of the annual report

Due to environmental and cost considerations, the annual report is only distributed to those who request it.

Annual General Meeting (AGM)

The AGM will be held on Tuesday 6 May, 2014 at 5 p.m. at headquarters in Täby.

Right to participate at AGM

Shareholders who wish to participate at the AGM must be registered in the share register held by Euroclear Sweden AB as of 29 April, 2014, and advise the company of their intention to participate at the AGM latest 2 May, 2014.

Registration

Registration can be done by mail to:

Micronic Mydata AB (publ), Box 3141, S-183 03 Täby, Sweden

Registration can also be done by phone: +46 8 638 35 32

or by e-mail: bolagsstamma@micronic-mydata.com.

The registration should include the name, address, telephone number, personal or corporate identification number and registered shareholding.

Nominee shares

To be entitled to participate in the AGM, shareholders whose shares are held in the name of a nominee must request that the bank or broker handling the shares temporarily re-register the shares in their own name with Euroclear Sweden AB. This must be done well in advance of 29 April, 2014, which is when the registration must be finalized.

Financial definitions

Adjusted operating margin

Operating profit adjusted for non-recurring costs as a percentage of net sales.

Capital employed

Total assets reduced by non interest-bearing liabilities and tax.

Capital turnover rate

Net sales divided by average capital employed.

Cash flow after investing activities before financing

Cash flow from operating activities including changes in working capital less investments.

Cash flow from investing activities

Net capital investments in buildings, machinery and equipment, capitalized development costs and financial non-current assets.

Cash flow from operating activities

Profit after financial items adjusted for non-cash items, income tax paid and changes in working capital.

Cash flow per share

Cash flow for the year divided by the average number of shares.

Earnings per share

Net profit divided by the average number of shares.

Equity per share

Equity divided by the average number of shares.

Equity/total assets

Equity as a percentage of total assets.

Gross margin

Gross profit as a percentage of net sales.

Net debt

Interest-bearing liabilities less cash and cash equivalents.

Operating margin

Operating profit as a percentage of net sales.

P/E ratio per share

Share price at 31 December divided by earnings per share.

Profit margin

Profit after financial items as a percentage of net sales.

R&D expenditure

Expenditure for R&D activities that has affected cash flow.

R&D costs

Costs attributable to R&D activities including costs of personnel engaged in R&D and amortization of previously capitalized development costs.

Return on capital employed

Operating profit including financial income as a percentage of average capital employed.

Return on equity

Net profit as a percentage of average equity.



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