

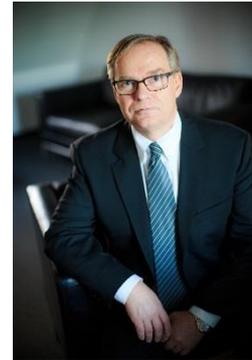
Continued positive development for electronics, adaptation in Metal Precision reduces operating profit

During the quarter orders from our larger defense customers have continued to decrease. We have therefore initiated a major restructuring program in order to increase profitability in the Metal Precision Technology division.

The electronics division shows continued good growth but group sales decreased by 6% in the quarter compared to the same period of 2013. Operating profit was SEK -31 million in the quarter, including non-recurring restructuring costs mainly related to the Metal Precision Technology division. With the measures taken, costs are reduced in order to achieve profitability with lower volumes. At the same time we are continuing to focus on non-defense segments such as Oil&Gas where there is great interest in our offering. Although there is great potential for us in this market we are not yet able to compensate for the loss of volumes from defense customers.

Our electronics business continues to develop well and during the quarter we have signed contracts with new customers while volumes from existing customers have grown.

Despite a weak demand within systems integration during the year, we have seen an increase in assignments from customers in the MedTech field. This, together with the restructuring in the Metal Precision division gives us the possibility to improve profitability in the second half of the year.



Leif Thorwaldsson, President and CEO

Second quarter of 2014

- Net sales were SEK 540 million (574)
- Operating profit totaled SEK -9 million (3) including restructuring costs SEK -31 million
Restructuring costs amounted to SEK 22 million
- Profit/Loss after tax was SEK -28 million (-4)
- Earnings per share after tax amounted to SEK -2.20 (-0.28)
- Cash flow after investments amounted to SEK -28 million (27)

First half of 2014

- Net sales were SEK 1,087 million (1,128)
- Operating profit totaled SEK -8 million (11) including restructuring costs SEK -30 million
Restructuring costs amounted to SEK 22 million
- Profit after tax was SEK -30 million (-2)
- Earnings per share after tax amounted to SEK -2.37 (-0.13)
- Cash flow after investments amounted to SEK -43 million (-24)
- The equity/assets ratio was 37% (37) on June 30

PartnerTech AB may be obligated to make the disclosures in this report public pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for public disclosure at 8.30 am on July 16th, 2014.

PartnerTech is a global industrial partner offering customized solutions throughout the product lifecycle, from product development to manufacturing and aftermarket services, in a number of market areas such as MedTech and Oil&Gas. With approximately 1,400 employees at its plants in Sweden, Norway, Finland, Poland, the UK, the United States and China, PartnerTech reports annual sales of more than SEK 2.2 billion. PartnerTech AB, the parent company, has its head office in Malmö, Sweden, and is listed on the Nasdaq OMX Stockholm Exchange. For more information www.partnerotech.com.

Key ratios			Jan-June	Jan-June	Jan-Dec	July 2013-
Amounts in SEK million unless otherwise stated	Q2-14	Q2-13	2014	2013	2013	June 2014
Net sales	539,6	573,7	1.087,2	1.127,6	2.237,1	2.196,7
Operating profit	-30,7	2,7	-30,1	10,8	31,7	-9,2
Operating margin	-5,7%	0,5%	-2,8%	1,0%	1,4%	-0,4%
Annual capital turnover ratio, times	3,3	3,4			3,3	3,3
Return on operating capital	-18,6%	1,6%			4,7%	-1,4%
Return on equity	-24,5%	-3,2%			1,5%	-4,8%
Average operating capital	659,2	672,2			674,3	666,5
Average equity	453,9	442,2			450,5	447,9
Operating capital			663,5	673,1	645,8	
Equity			440,9	442,2	466,9	
Interest-bearing net debt			236,4	245,9	182,5	
Equity/assets ratio			36,7%	36,6%	40,2%	

THE QUARTER AND FIRST HALF OF THE YEAR

Second quarter sales totaled SEK 539.6 million (573.7). That represented a decrease of 5.9% from the same period of 2013. Sales were 6.7% lower for comparable units and in local currencies than the year-ago period. Sales for the first half of the year were SEK 1,087.2 million (1,127.6) which represented a decrease of 3.6%.

Operating profit for the second quarter declined to SEK -30.7 million (2.7). The operating profit has been charged with restructuring costs of SEK 22 million whereof SEK 20 million relates to cutbacks in production resources in future periods. The restructuring provision mainly relates to adaptation of business operations aimed at the Nordic defense industry. With these measures taken, costs are reduced in order to achieve profitability with lower business volumes from these customers. Operating profit for January-June was SEK -30.1 million (10.8), including the restructuring provision in the second quarter.

Second quarter net financial expense totaled SEK -1.3 million (-5.0), including SEK -1.6 million (-2.3) in net interest expense. Unrealized exchange-rate effects in the quarter were positive. Net financial expense for the first half of the year was SEK -2.4 million (-11.0).

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

Cash flow from operating activities after investments in the second quarter amounted to SEK -27.6 million (27.4) and for the first half year SEK -42.9 million (-24.1). The main part of the change is assigned to the reduced operating profit. Cash flow to investments in the first half year was SEK -9.1 million (-7.8).

Operating capital turnover rate is level with the same period previous year. Working capital came to SEK 344.1 million (359.7) at the end of the first quarter.

Interest-bearing net debt was SEK 236.4 million (245.9) on June 30.

Equity totaled SEK 440.9 million (442.2) at the end of the period. Translation effects on equity as the result of exchange-rate fluctuations totaled SEK 11.7 million (6.4) for the second quarter and SEK 10.4 million (-12.4) for the first six months. In the quarter, the company made a dividend of SEK 6.3 million.

SOME SIGNIFICANT EVENTS DURING THE QUARTER

- The company disclosed in April that it enhances its service offering by establishing a new function, Development & Services, as well as organizes the group into three divisions as of April 3rd 2014: Metal Precision Technology, Systems Integration Technology and Electronics Technology.
- In May, PartnerTech signs a framework agreement with Exide Technologies, one of the world's largest producers of lead-acid batteries, regarding manufacturing of PCBA's for the company's battery chargers.
- In May, Stefan Hansson-Mutas is appointed President for the Electronics Technology division.

EVENTS AFTER THE END OF THE PERIOD

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

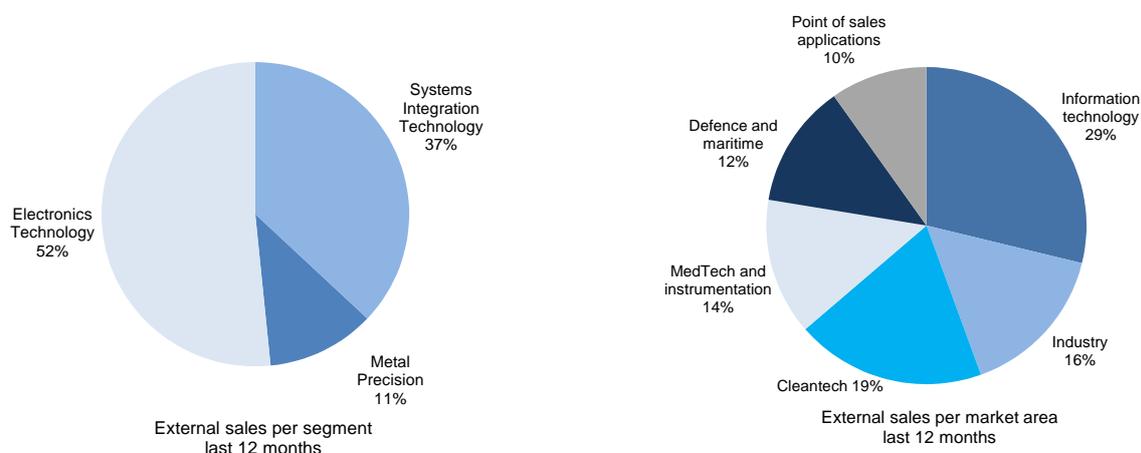
DIVISION REPORTING

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

- Electronics Technology
- Systems Integration Technology
- Metal Precision Technology

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

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



ELECTRONICS TECHNOLOGY

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

Key ratios	Q2-14	Q2-13	Jan-June 2014	Jan-June 2013	Jan-Dec 2013	July 2013- June 2014
Amounts in SEK million unless otherwise stated						
Total sales	312.2	291.8	626.2	540.8	1,150.8	1,236.2
whereof external sales	288.7	269.8	572.3	488.7	1,049.6	1,133.1
Operating profit	17.5	18.0	32.9	29.4	72.4	75.9
Operating margin	5.6%	6.2%	5.2%	5.4%	6.3%	6.1%
Capital turnover ratio, times	3.8	4.0			3.7	3.9
Return on operating capital	21%	24%			23%	24%

- The division reported a 7% increase in sales during the quarter, mostly due to higher volumes within Information Technology and Defense and Maritime.
- Despite an unfavourable product mix the operating profit is in level with the same period previous year.
- The quarterly return on operating capital of 21% meets our target.

SYSTEMS INTEGRATION TECHNOLOGY

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

Key ratios			Jan-June	Jan-June	Jan-Dec	July 2013-
Amounts in SEK million unless otherwise stated	Q2-14	Q2-13	2014	2013	2013	June 2014
Total sales	201.9	225.5	410.2	456.4	876.0	829.7
whereof external sales	198.5	218.2	403.4	428.6	838.2	812.9
Operating profit	0.5	3.2	4.5	10.2	26.5	20.7
Operating margin	0.3%	1.4%	1.1%	2.2%	3.0%	2.5%
Capital turnover ratio, times	3.5	3.8			3.9	3.5
Return on operating capital	1%	5%			12%	9%

- Sales for the division were down by 10% owing primarily to lower volumes for the Information Technology market area mainly related to the previously announced phase-out of a larger customer.
- Low capacity utilization at some units has affected the operating profit negatively.
- The Åtvidaberg unit is continuing its positive development.
- Demand for our development services, mainly in MedTech, is increasing.

METAL PRECISION TECHNOLOGY

The Metal Precision Technology division specializes in advanced processing of metals and other difficult materials, often with extreme properties. Production takes place with technologically advanced equipment and expertise, ranging from precision-machined complex components in small and large series to welded steel constructions and complete electromechanical and hydraulic systems. Production is located in Karlskoga (Sweden), Moss (Norway) and Myslowice (Poland) and customers come mainly from Offshore/Oil&Gas, Defense and Marine as well as advanced industry.

Key ratios			Jan-June	Jan-June	Jan-Dec	July
Amounts in SEK million unless otherwise stated	Q2-14	Q2-13	2014	2013	2013	2013- June 2014
Total sales	53,3	88,4	113,0	219,0	360,7	254,7
whereof external sales	52,3	85,7	111,6	210,3	349,3	250,6
Operating profit	-20,9	-17,9	-38,2	-29,5	-60,0	-68,7
Operating margin	-39,2%	-20,3%	-33,8%	-13,5%	-16,6%	-27,0%
Capital turnover ratio, times	1,8	2,4			2,4	2,0
Return on operating capital	-69%	-48%			-40%	-53%

- Due mainly to a continued decline for the Defense customer segment, sales for the division were down by 40%.
- Operating profit in the quarter was SEK -20,9 million excluding SEK 2,4 million relates to non-recurring restructuring costs. A continued lower capacity utilization from customers in Defense at our Karlskoga unit had a negative impact on operating profit.

OTHER

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

Reconciliation of Result before tax, Group SEK million			Jan-June	Jan-June	Jan-Dec	July
	Q2-14	Q2-13	2014	2013	2013	2013- June 2014
Electronics Technology	17,5	18,0	32,9	29,4	72,4	75,9
Systems Integration Technology	0,5	3,2	4,5	10,2	26,5	20,7
Metal Precision Technology	-20,9	-17,9	-38,2	-29,5	-60,0	-68,7
Other	-5,3	-0,6	-6,9	0,6	-7,2	-14,7
Comparison distortion items	-22,4	0,0	-22,4	0,0	0,0	-22,4
Operating profit	-30,7	2,7	-30,1	10,8	31,7	-9,2
Financial net	-6,7	-5,6	-9,2	-10,3	-19,1	-18,0
Result before tax, group	-32,0	-2,3	-32,5	-0,2	19,8	-12,5

EMPLOYEES

The group had 1,340 (1,405) full-time equivalent employees on June 30.

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the period.

OPTION PROGRAM

The option program that was launched after the annual general meeting on 5 May 2011 expired on 30 May 2014. No part of the option program had been utilized.

SIGNIFICANT RISKS AND UNCERTAINTIES

Events related to operating activities during 2014 are not deemed to represent any decisive change in terms of essential risks or uncertainties for the PartnerTech Group. A detailed description of PartnerTech's risks, uncertainties and how they are handled appears in the group's 2013 annual report.

ACCOUNTING POLICIES

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

No other new or amended standards or interpretations have had any impact on the group's financial reports for 2014.

UPCOMING FINANCIAL REPORTING

October 23, 2014 Interim report, January – September

February 17, 2015 Year-end Report 2014

The board and CEO hereby assure that this report for the first half of 2014 provides a true and fair view of the group's operations, financial position and performance. The disclosures that have been submitted are consistent with the facts, and nothing of material significance has been omitted that might affect the view of the group and parent company in the accounts.

PartnerTech AB, July 16, 2014

Bengt Engström
Chairman of the Board

Leif Thorwaldsson
President and CEO

Gösta Johannesson

Klas Theodorsson

Henrik Lange

Lennart Pettersson

Lotta Stalin

Petter Stillström

Thomas Thuresson

Heléne Mellquist

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

For additional information, feel free to call:
Leif Thorwaldsson, President and CEO
+46 40-10 26 41

Åke Bengtsson, CFO
+46 40-10 26 42

Income statement, in summary	2014	2013	2014	2013	2013
Group (SEK million)	Q2	Q2	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	539.6	573.7	1,087.2	1,127.6	2,237.1
Cost of goods and services sold*	-519.5	-544.6	-1,042.5	-1,067.5	-2,113.3
Gross profit	20.1	29.1	44.7	60.1	123.7
Gross margin	3.7%	5.1%	4.1%	5.3%	5.5%
Selling and administration costs	-28.2	-24.5	-52.0	-47.8	-89.4
Other operating income and costs, net	-22.6	-1.9	-22.8	-1.5	-2.6
Operating profit	-30.7	2.7	-30.1	10.8	31.7
Operating margin	-5.7%	0.5%	0.5%	1.0%	1.4%
Net financial income/expense	-1.3	-5.0	-2.4	-11.0	-11.9
Profit/Loss after financial items	-32.0	-2.3	-32.5	-0.2	19.8
Profit margin	-5.9%	-0.4%	-0.4%	0.0%	0.9%
Taxes	4.2	-1.2	2.5	-1.5	-13.1
Profit/Loss for the period	-27.8	-3.5	-30.0	-1.7	6.7
Net margin	-5.2%	-0.6%	-2.8%	-0.2%	0.3%
Depreciation and write downs included in Operating profit	12.2	10.9	23.1	21.3	43.6
Earnings per share before dilution, SEK	-2.20	-0.28	-2.37	-0.13	0.53
Earnings per share after dilution, SEK	-2.20	-0.28	-2.37	-0.13	0.53

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

Statement of comprehensive income	2014	2013	2014	2013	2013
Group (SEK million)	Q2	Q2	Jan-Jun	Jan-Jun	Jan-Dec
Profit/Loss for the period	-27.8	-3.5	-30.0	-1.7	6.7
Components to be reclassified to net profit:					
Exchange rate differences arising on translation of foreign operations	11.7	6.4	10.4	-12.4	3.2
Actuarial gains/loses	0.0	0.0	0.0	0.0	0.7
Other comprehensive income, net of tax	11.7	6.4	10.4	-12.4	3.9
Total comprehensive income for the period	-16.1	2.9	-19.6	-14.1	10.6

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

Changes in equity	2014	2013	2014	2013	2013
Group (SEK million)	Q2	Q2	Jan-Jun	Jan-Jun	Jan-Dec
Opening balance	463.4	439.3	466.9	456.3	456.3
Changes in equity					
Dividend	-6.3	-	-6.3	-	-
Comprehensive income for the period	-16.1	2.9	-19.6	-14.1	10.6
Closing balance	440.9	442.2	440.9	442.2	466.9
Number of shares at end of period (thousands)	12,665	12,665	12,665	12,665	12,665
Average number of shares in the period (thousands)	12,665	12,665	12,665	12,665	12,665
Equity per share, SEK	34.82	34.92	34.81	34.92	36.86

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

Balance sheet, in summary	2014	2013	2013
Group (SEK million)	30 Jun	30 Jun	31 Dec
Assets			
Intangible assets	134.5	127.1	132.8
Tangible assets	184.9	186.3	193.8
Financial assets	0.2	0.2	0.2
Other non-current assets	28.8	29.8	20.0
Total non-current assets	348.4	343.4	346.7
Inventories	340.7	357.2	312.7
Accounts receivable	432.2	374.8	393.9
Other current receivables	64.7	88.2	50.7
Cash and bank balances	14.0	44.8	58.7
Total current assets	851.6	865.0	816.1
Total assets	1,200.0	1,208.3	1,162.8
Liabilities and shareholders' equity			
Shareholders' equity	440.9	442.2	466.9
Interest-bearing liabilities	19.1	32.9	26.8
Non interest-bearing liabilities	-	10.3	-
Other provisions	16.8	12.3	16.0
Total long-term liabilities	36.0	55.5	42.8
Interest-bearing liabilities	186.9	257.8	214.5
Accounts payable	336.1	301.4	315.8
Other current liabilities	199.0	150.4	121.7
Other provisions	1.1	1.1	1.1
Total current liabilities	723.1	710.6	653.2
Total liabilities and shareholders' equity	1,200.0	1,208.3	1,162.8

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

Cash flow statement, in summary	2014	2013	2014	2013	2013
Group (SEK million)	Q2	Q2	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit	-30.7	2.7	-30.1	10.8	31.7
Items in operating profit not impacting cash flow as well as interests and taxes	24.6	4.2	32.5	8.4	26.9
Change in funds tied up in operations	-15.2	24.5	-36.2	-35.5	13.3
Cash flow operating activities	-21.3	31.5	-33.8	-16.3	71.9
Cash flow investing activities	-6.4	-4.1	-9.1	-7.8	-24.9
Cash flow after investments	-27.6	27.4	-42.9	-24.1	47.0
Cash flow financing activities	11.8	-13.2	-2.2	29.3	-28.0
Translation differences in liquid assets	0.5	0.5	0.4	0.2	0.4
Change in liquid assets	-15.3	14.7	-44.8	5.4	19.4
Cash flow per share	-1.21	1.16	-3.53	0.43	1.53

Income statement, in summary	2014	2013	2013
Parent company (SEK million)	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	45.5	45.9	79.5
Cost of services sold	-	-18.6	-30.8
Gross profit	45.5	27.3	48.8
Selling and administration costs	-31.7	-26.7	-50.5
Other operating income and costs, net	-1.0	0.2	0.4
Operating profit	12.8	0.8	-1.3
Net financial income/expense	3.7	-1.0	-12.4
Profit/Loss after financial items	16.5	-0.2	-13.7
Taxes	-3.2	0.3	-0.1
Profit/Loss for the period	13.3	0.1	-13.8

Statement of comprehensive income	2014	2013	2013
Parent company (SEK million)	Jan-Jun	Jan-Jun	Jan-Dec
Profit/Loss for the period	13.3	0.1	-13.8
Other comprehensive income, net of tax:			
Fair value reserve	1.8	1.2	1.8
Total comprehensive income for the period	15.1	1.3	-11.9

Balance sheet, in summary	2014	2013	2013
Parent company (SEK million)	30 Jun	30 Jun	31 Dec
Assets			
Tangible assets	0.2	0.2	0.2
Financial assets	533.4	533.7	540.6
Other non-current assets	0.0	0.6	0.0
Total non-current assets	533.6	534.5	540.8
Other current receivables	140.6	147.2	81.9
Cash and bank balances	1.5	13.4	34.0
Total current assets	142.0	160.6	115.9
Total assets	675.6	695.1	656.8
Liabilities and shareholders' equity			
Shareholders' equity	472.5	476.9	463.7
Interest-bearing liabilities	2.8	4.6	2.8
Total long-term liabilities	2.8	4.6	2.8
Interest-bearing liabilities	1.8	67.9	3.7
Accounts payable	8.7	4.9	5.8
Other current liabilities	189.9	140.7	180.9
Total current liabilities	200.4	213.6	190.3
Total liabilities and shareholders' equity	675.6	695.1	656.8

PartnerTech's Market Areas



INFORMATION TECHNOLOGY

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



INDUSTRY

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



CLEANTECH

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



MEDTECH & INSTRUMENTATION

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



DEFENSE & MARITIME

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



POINT OF SALES APPLICATIONS

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

DEFINITIONS

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