



PRESS RELEASE 328E

Mycronic AB (publ), Interim report January-September 2014

About Mycronic

Mycronic AB is a high-tech Swedish company engaged in the development, manufacturing and marketing of production equipment to the electronics industry. Mycronic headquarters is located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Singapore, South Korea, Taiwan, the Netherlands, United Kingdom and the US. For more information, see our web site at www.mycronic.com.

Mycronic AB (publ) is listed on NASDAQ Stockholm, Small Cap: MYCR.

This interim report is a translation of the Swedish version. In the event of any differences between this translation and the Swedish original version, the Swedish version shall have precedence.

Third quarter July-September 2014

- Order intake was SEK 842 (232) million
- Net sales were SEK 338 (220) million
- EBIT was SEK 37 (9) million
- Earnings per share was SEK 0.31 (0.00)

Interim period January-September 2014

- Order intake was SEK 1,410 (679) million
- Net sales were SEK 819 (672) million
- EBIT was SEK 45 (-10) million
- Earnings per share was SEK 0.34 (-0.21)

Outlook

The assessment for sales in 2014 remains unchanged from the previous quarter.

The company's assessment is that sales in 2014 will be in the span of SEK 1,150 – 1,250 million.

Group summary

SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Order intake	842.4	232.2	1,410.0	679.4	1,783.6	1,053.1
Order backlog	740.0	97.4	740.0	97.4	740.0	148.7
Net sales	338.0	219.9	818.6	672.5	1,143.1	997.0
Gross profit	132.4	100.1	343.7	294.8	495.2	446.3
Gross margin, %	39%	46%	42%	44%	43%	45%
EBIT	36.9	8.6	45.5	-9.9	87.7	32.3
EBIT margin	11%	4%	6%	-1%	8%	3%
Earnings per share, SEK	0.31	0.00	0.34	-0.21	0.69	0.14
Cash flow	-77.5	-11.3	-27.2	-54.4	-58.0	-85.1

Stronger order intake in several areas

The order intake is demonstrating growth, but this is also an indicator of the fluctuations that occur, especially within the PG market. During the first nine months, the Group received orders for seven mask writers. The trend towards increasingly advanced electronics products drives demand for complex photomasks for use in the manufacture of displays for these products. At the same time the customers' utilization of existing equipment has been high. Together, the two factors have led to customers starting to invest in new equipment. However, investment in mask writers has not been solely in advanced equipment for manufacturing of displays, but also for other segments.

"We are happy to have succeeded in matching our offering within business area PG with various needs within several different market segments. This has resulted in a number of orders during the third quarter", says Lena Olving, CEO and President of Mycronic AB.

The market for SMT equipment has also remained favorable. During the third quarter, Mycronic saw an increase in both the order intake and sales, as has been the case during the entire interim period.

The consolidated EBIT remains positive for the fifth consecutive quarter. Cash flow, excluding an extra dividend of 245 MSEK, which was paid out in August, reached SEK 167 million during the third quarter.

By delivering new products in tandem with customers' changing requirements, and by simultaneously maintaining cost levels, Mycronic has created good conditions for long term profitability.

"We are continuing to strengthen our brand, which positions us as an important supplier of effective production solutions. We are pleased to report a good third quarter, but it is also important to point out that while these types of investments can occur at the same time, this is not a typical quarter", says Lena Olving.

Group financial performance Third quarter July-September 2014

The consolidated order intake for the third quarter was SEK 842 (232) million. The order intake increased for the fourth consecutive quarter, an increase derived from both business areas. The order backlog has been further built up with deliveries planned for 2015. At the end of the period, the order backlog stood at SEK 740 (97) million.

Sales reached SEK 338 (220) million in the third quarter. The increase in sales derived from both business areas and relates to system and aftermarket sales. Sales during the third quarter were impacted positively by currency exchange effects in the amount of SEK 14 million. Recalculated to the prevailing exchange rates of the corresponding period last year, sales reached SEK 324 million.

Consolidated gross profit reached SEK 132 (100) million, which corresponds to a gross margin of 39 (46) percent. Gross profit was negatively affected within PG by an unfavorable product mix, and by costs for efficiency measures within the service business in some regions. At the same time the gross margin has been affected in a positive way by currency effects.

Consolidated EBIT was SEK 37 (9) million, which corresponds to an operating margin of 11 (4) percent. EBIT improved as a result of increased sales, positive currency differences, and stable levels of fixed costs. Operating expenses relating to LDI amounted to SEK 4 (13) million.

Consolidated costs for development, selling and administration were SEK 106 (88) million. There are a few reasons to this increase. Variable selling expenses increased as a result of the increase in sales. Expenditures for development remain at the same level as last year. However, no development costs were capitalized during the third quarter, while during the same period last year, capitalization within SMT occurred in the amount of SEK 11 million. This means that reported costs are higher during the third quarter of the current year. Also, amortization of previously capitalized development during the third quarter was SEK 3 (1) million.

Within SMT, ongoing product development includes jet printing technology in order to broaden the field of utilization.

Group financial performance Interim period January-September 2014

The consolidated order intake for the first nine months of the year was SEK 1,410 (679) million, an increase that derived from both business areas. The order intake includes seven mask writers.

Sales during the first nine months of the year amounted to SEK 819 (672) million. The increase in sales stemmed from most product areas. Sales during the year's first nine months were positively impacted by currency exchange effects in the amount of SEK 22 million. Recalculated to the prevailing exchange rates of the corresponding period last year, sales reached SEK 796 million.

The consolidated gross profit was SEK 344 (295) million, which corresponds to a gross margin of 42 (44) percent. During the interim period, the consolidated gross margin was affected from negative effects of a less favorable product mix within PG. At the same time gross margin was affected positively by higher sales volumes and by currency effects.

Consolidated EBIT was SEK 45 (-10) million, which corresponds to an operating margin of 6 (-1) percent. EBIT was charged with operating costs relating to LDI with an amount of SEK 20 (39) million. Expenses for development, selling and administration were SEK 308 (296) million. This increase is due primarily to an increase in sales, which in turn led to an increase in variable selling costs.

Capitalization of development costs were incurred in the amount of SEK 11 (17) million within SMT. Amortization of previously capitalized development during the first nine months of the year amounted to SEK 7 (6) million.

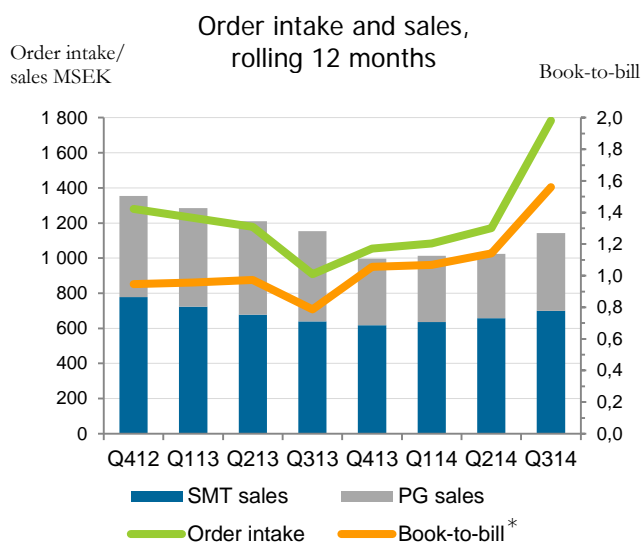
Equity

Consolidated equity at the end of the period was SEK 966 million, compared with SEK 1,165 million at the end of 2013. The number of outstanding shares at the end of the period was 97,916,509. Earnings per share were SEK 0.34 (-0.21).

Cash flow and financial position

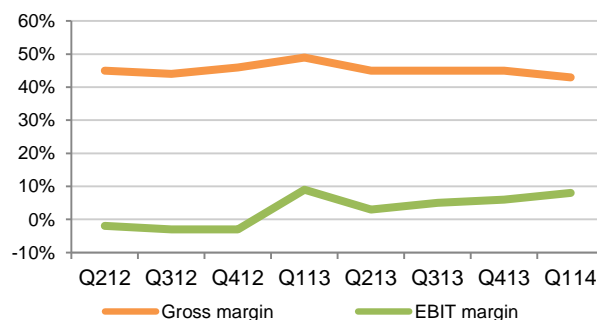
Consolidated cash and cash equivalents at the end of the third quarter amounted to SEK 473 (517) million, compared with SEK 487 million at the end of 2013. The cash flow during the first nine months was SEK -27 (-54) million. During the third quarter (6 August), dividend of SEK 245 million was paid out, in accordance with AGM decision.

The cash flow from operations was SEK 236 (-32) million, which can be attributed to the positive result and the reduction in working capital. Inventories decreased, while advances from customers increased, the result of a higher order intake and increased sales. Investments reached SEK 19 (20) million, of which SEK 11 (17) million related to capitalized development within SMT.



*Book-to-bill is defined as order intake compared to sales

Margins, rolling 12 months



Business area SMT

SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Order intake and sales						
Order intake	205.1	158.7	551.2	425.8	719.1	593.7
Order backlog	91.1	71.4	91.1	71.4	91.1	52.0
Income from external customers	180.3	138.2	512.1	430.4	699.3	617.6
Results						
Gross profit	78.2	59.5	222.6	175.5	302.6	255.5
Gross margin	43%	43%	43%	41%	43%	41%
EBIT	14.0	9.1	35.3	0.5	52.3	17.5
EBIT margin	8%	7%	7%	0%	7%	3%
Development costs	-30.2	-20.6	-82.8	-81.4	-108.6	-107.1

Financial performance January-September 2014

The order intake for the first nine months of the year was SEK 551 (426) million, an increase of 29 percent compared with the corresponding period last year. The positive trend which began at the end of 2013 continued during the year. Launches of new products within the business area this year have been well-received on the market.

Sales for the first nine months were SEK 512 (430) million, an increase of 19 percent compared with the same period last year. The positive development of sales can be explained by the increased demand for both system and aftermarket products. Sales for the year's first nine months were positively affected by currency exchange effects in the amount of SEK 21 million. Recalculated to the prevailing exchange rates for the corresponding period last year, sales reached SEK 491 million.

Gross profit reached SEK 223 (176) million, which corresponds to a gross margin of 43 (41) percent. The gross margin has developed positively, which is the result of higher sales volumes, a favorable product mix, and positive currency effects.

EBIT reached SEK 35 (0) million, which corresponds to an EBIT margin of 7 (0) percent. Expenditures for development remain at the same level as last year, while variable selling costs increased in tandem with the increase in sales. Development costs in the amount of SEK 11 (17) million were capitalized.

Market development

The electronics industry grew 4 percent in 2013 and growth of 3 percent is expected in 2014. Greatest growth is expected for communications equipment, driven primarily by mobile telephony (Prismark, March 2014).

The semiconductor market is a part of the electronics industry and affects demand for SMT equipment. When the volume of semiconductors increases, it leads to increased capacity requirements within the branch, and demand for SMT equipment normally rises. The early part of 2014 demonstrated a positive trend. The forecast for the whole year 2014 is a 7 percent growth, which is forecasted to continue from 2015 and up to and including 2018 with a yearly growth of 4 percent (Prismark, September 2014).

Positive forecasts for growth on the electronics and semiconductor markets, together with signals from an increasing demand for Mycronic's SMT equipment, suggest with increasing likelihood a recovery from the negative trend on the global market for SMT equipment during the last two years. It is still too early, however, to draw any far-reaching conclusions.

During the second quarter, Mycronic launched a new jet printer, the MY600, for contact-free application of solder paste on circuit boards. The machine was introduced at exhibitions in Germany, Japan and the Philippines. During the third quarter, the market launch continued on Mycronic's markets in Europe, North America and China. The model offers electronics manufacturers a machine which is up to 50 percent quicker than its predecessor, which broadens the customer base considerably.

Business area PG

SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Order intake and sales						
Order intake	637.3	73.5	858.7	253.6	1,064.5	459.4
Order backlog	648.9	26.0	648.9	26.0	648.9	96.7
Income from external customers	157.8	81.7	306.5	242.1	443.7	379.4
Results						
Gross profit	54.2	40.6	121.1	119.3	192.6	190.8
Gross margin	34%	50%	40%	49%	43%	50%
EBIT	23.4	1.2	13.9	-5.5	40.6	21.2
EBIT margin	15%	1%	5%	-2%	9%	6%
Development costs	-16.2	-13.6	-48.8	-50.2	-70.3	-71.7

Financial performance January-September 2014

The order intake was SEK 859 (254) million and comprised seven mask writers, two for advanced display applications, two for semiconductor applications, three for applications within different segments of the market for electronic packaging, and aftermarket.

Sales reached SEK 306 (242) million, and comprised two machines and aftermarket sales. Sales were positively affected by currency exchange effects of approximately SEK 1 million. Recalculated to the prevailing currency exchange rates of the corresponding period last year, sales reached SEK 305 million.

Gross profit was SEK 121 (119) million, which corresponds to a gross margin of 40 (49) percent. The gross profit was negatively affected by an unfavorable product mix, and by costs for efficiency measures within the service business in certain regions.

EBIT was SEK 14 (-5) million. Costs are lower than during the corresponding period last year, which can be primarily explained by lower LDI costs, which fell from SEK 39 million to SEK 20 million. Product development within the business area has resulted in the launch of a new mask writer for advanced display applications, the Prexision-80 (P-80).

Market development

The display market is estimated to show a weak positive growth for 2014. Sales are expected to increase 1 percent to USD 130 billion, while the number of displays is expected to increase 3 percent to just under 4 billion units (DisplaySearch, October 2014). Growth is being driven by the increase in demand for high resolution mobile displays and by the ongoing launch of UHD TV, TVs with ultra-high resolution.

The demand for photomasks for displays remained strong in the third quarter, and the degree of utilization of Mycronic's mask writers stabilized at a high level.

The ongoing trend toward displays with higher resolution is driving demand for complex photomasks. There is also a demand for photomasks for larger displays. Several new display factories are being brought into operation in China, and existing factories are increasing their manufacturing capacity. Other reasons for increased demand for photomasks is the growing number of display types. One example is the introduction of bendable displays. During the third quarter Mycronic received orders for two mask writers for the most advanced display applications, one for larger displays and one for the newly developed and most advanced mask writer, the P-80, which meets the market's increasingly higher requirements for photomasks.

Demand for photomasks for applications other than display also remains positive. Drivers for this market include demand for photomasks for advanced electronic packaging. During the year's first nine months, Mycronic received orders for three FPS mask writers for various applications within different segments of this market.

Customer valuation of Mycronic's LDI technology has ended. The system meets future technical requirements thanks to its advanced solutions. However, the slow development pace of market performance requirements makes customers hesitant to invest in the company's LDI technology. Short term focus will be to maintain systems in field until the industry's performance requirements reach a point where investments in new technology is motivated.

Other

Parent company

Mycronic AB is the Group's parent company. All product development and sales of pattern generators take place through the parent company.

The parent company's sales for the first nine months of the year were SEK 316 (169) million, and comprised two machine deliveries. EBIT was SEK 27 (-14) million. Costs for research and development are expensed on a running basis.

Cash and cash equivalents at the end of the period were SEK 310 (218) million, compared with SEK 281 million at the end of 2013.

Risks and uncertainty factors

There are a number of risks and uncertainty factors of an operational and financial character to which the Group is exposed. These are described in the 2013 annual report.

The most prominent short term risks relate to the results of development efforts and launches within new product areas. Uncertainty remains around when a broader adoption of the next generation of substrates will occur. This involves a risk for future impairment requirements relating to remaining LDI assets.

Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Annual Accounts Act. The interim report for the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act.

For the Group and the parent company, the same accounting principles as well as estimates and assumptions have been used in this interim report as were used in the most recent annual report.

The scope and character of financial assets and liabilities are essentially the same as they were on 31 December, 2013. As was the case at the end of 2013, reported values are the same as fair values.

Nomination committee

The composition of the nomination committee for the 2015 AGM is:

Henrik Blomquist, Bure

Jan Särilvik, Nordea Fonder

Ulf Strömsten, Catella Fonder

Patrik Tigerschiöld, Chairman of the Board

The nomination committee is tasked with putting forth proposals for board members and board chairman, and for remuneration of board members and auditor. The coming 2015 AGM will be held on 5 May.

Financial information

Mycronic AB (publ) is listed on NASDAQ Stockholm, Small Cap, MYCR. The information in this report is of the type that Mycronic is required to disclose under the Financial Instruments Trading Act and/or Swedish Securities Market Act. The information was submitted for publication on 28 October, 2014, at 08.00 am.

Financial reports and press releases are published in Swedish and English and are available on the website www.mycronic.com.

Market information

Market updates are published on the website in connection with the publication of the interim report.

Financial calendar

Q4 and Full year report, 2014	4 February, 2015
Interim report January-March, 2015	23 April, 2015
Annual General Meeting 2015	5 May, 2015
Interim report January-June, 2015	14 July, 2015
Interim report January-September, 2015	21 October, 2015

Consolidated profit and loss accounts, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Net sales	338.0	219.9	818.6	672.5	1,143.1	997.0
Cost of goods sold	-205.7	-119.8	-474.9	-377.7	-647.9	-550.7
Gross profit	132.4	100.1	343.7	294.8	495.2	446.3
Research and development expenses	-46.5	-35.3	-133.9	-135.0	-182.3	-183.4
Selling expenses	-38.1	-33.7	-117.8	-103.2	-163.6	-149.0
Administrative expenses	-21.5	-19.3	-56.7	-57.9	-77.7	-78.9
Other income and expenses	10.7	-3.2	10.2	-8.6	16.0	-2.8
EBIT	36.9	8.6	45.5	-9.9	87.7	32.3
Financial income and expenses	0.2	0.7	1.3	2.1	2.7	3.6
Profit/loss before tax	37.1	9.3	46.8	-7.7	90.4	35.9
Tax	-6.8	-9.7	-13.0	-12.6	-22.5	-22.1
Net profit/loss	30.3	-0.4	33.8	-20.4	67.9	13.7
Earnings/share, SEK	0.31	0.00	0.34	-0.21	0.69	0.14
Average number of shares, thousand	97,917	97,917	97,917	97,917	97,917	97,917
Consolidated comprehensive income, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Net profit/loss	30.3	-0.4	33.8	-20.4	67.9	13.7
Other comprehensive income						
<i>Items to be reclassified to profit and loss</i>						
Translation differences at translating foreign entities	4.0	-5.3	14.3	-14.8	12.5	-16.6
Cash flow hedges	-2.3	0.0	-3.6	0.0	-3.5	0.1
Tax relating to other comprehensive income	0.4	0.0	0.7	0.0	0.6	-0.1
	2.1	-5.3	11.4	-14.8	9.6	-16.6
Total comprehensive income	32.4	-5.7	45.2	-35.2	77.5	-2.9
Research and development costs, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
<i>R&D expenditure</i>						
SMT	-27.2	-30.3	-86.4	-91.8	-125.7	-131.0
PG	-16.2	-13.6	-48.8	-50.2	-70.3	-71.7
	-43.4	-43.9	-135.2	-142.0	-195.9	-202.7
<i>Capitalization of development</i>						
SMT	0.0	11.0	10.8	16.7	25.5	31.4
<i>Amortization of capitalized development</i>						
SMT	-3.1	-1.2	-7.2	-6.3	-8.4	-7.5
	-3.1	9.8	3.6	10.4	17.1	23.9
Amortization of acquired technology	0.0	-1.2	-2.3	-3.5	-3.5	-4.6
R&D costs	-46.5	-35.3	-133.9	-135.0	-182.3	-183.4
Revenue by geographical market, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
EMEA	92.8	83.2	269.3	227.0	361.8	319.5
Americas	64.0	44.3	190.3	158.9	263.9	232.4
Asia	181.2	92.4	359.0	286.6	517.4	445.0
	338.0	219.9	818.6	672.5	1,143.1	997.0

Consolidated cash flow statements, SEK million

	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Cash flow from operations before changes in working capital	30.1	14.9	43.9	-6.3	93.3	43.1
Changes in working capital	142.7	-14.5	192.3	-25.9	127.9	-90.3
Cash flow from operations	172.8	0.4	236.3	-32.3	221.2	-47.2
Cash flow from investing activities	-5.3	-11.0	-18.7	-20.4	-34.1	-35.8
Cash flow from financing activities	-245.0	-0.7	-244.8	-1.7	-245.1	-2.0
Cash flow	-77.5	-11.3	-27.2	-54.4	-58.0	-85.1
Cash and cash equivalents, opening balance	546.0	529.2	487.3	581.1	516.9	581.1
Exchange differences	4.7	-0.9	13.1	-9.8	14.2	-8.7
Cash and cash equivalents, closing balance	473.1	516.9	473.1	516.9	473.1	487.3

Consolidated report of financial position

SEK million	30 sep 14	30 sep 13	31 dec 13
ASSETS			
Fixed assets			
Intangible assets	132.6	121.7	132.8
Tangible assets	31.5	36.0	33.5
Long-term receivables	31.4	27.0	27.1
Deferred tax assets	91.5	90.6	88.4
Total fixed assets	287.0	275.3	281.8
Current assets			
Inventories	307.3	338.2	323.9
Trade receivables	251.6	162.8	259.6
Other current receivables	51.0	44.1	48.9
Cash and cash equivalents	473.1	516.9	487.3
Total current assets	1,083.1	1,062.1	1,119.7
Total assets	1,370.1	1,337.4	1,401.5
EQUITY AND LIABILITIES			
Equity	965.8	1,133.1	1,165.4
Liabilities			
Other long-term liabilities	14.5	12.8	11.3
Deferred tax liabilities	5.1	6.3	5.9
Total non-current liabilities	19.6	19.1	17.2
Current interest-bearing liabilities	-	0.4	-
Trade payables	52.0	44.7	63.6
Other current liabilities	332.7	140.1	155.2
Total current liabilities	384.6	185.2	218.8
Total liabilities	404.3	204.3	236.0
Total equity and liabilities	1,370.1	1,337.4	1,401.5

Consolidated statements of changes in equity

SEK million	Jan-Sep 14	Jan-Sep 13	Jan-Dec 13
Opening balance	1,165.4	1,168.3	1,168.3
Dividend	-244.8	-	-
Total comprehensive income	45.2	-35.2	-2.9
Closing balance	965.8	1,133.1	1,165.4

Financial key figures	Jan-Sep 14	Jan-Sep 13	Jan-Dec 13
Order intake	1,410.0	679.4	1,053.1
Net sales	818.6	672.5	997.0
Gross margin	42.0%	43.8%	44.8%
EBIT margin	5.6%	-1.5%	3.2%
Return on equity	3.2%	-1.8%	1.2%
Equity/total assets	70.5%	84.7%	83.2%
Equity/average number of shares	9.9	11.6	11.9
Average number of employees	510	526	514
Capital spending			
Capitalized development	10.8	16.7	31.4
Other capital spending	7.9	3.7	4.4
The Mycronic share			
Closing share price	17.50	13.00	12.40
Market cap	1,713.5	1,172.9	1,214.2

Quarterly financial data	Q 3-14	Q 2-14	Q 1-14	Q 4-13	Q 3-13	Q 2-13	Q 1-13	Q 4-12
Sales SMT	180.3	165.4	166.4	187.3	138.2	144.4	147.8	208.9
Sales PG	157.8	72.8	76.0	137.3	81.7	81.9	78.5	272.5
	338.0	238.2	242.3	324.5	219.9	226.3	226.3	481.4
Gross profit SMT	78.2	72.2	72.3	80.0	59.5	59.2	56.8	93.5
Gross profit PG	54.2	33.9	32.9	71.5	40.6	40.3	38.3	176.5
	132.4	106.1	105.2	151.5	100.1	99.5	95.1	270.0
Gross margin SMT	43%	44%	43%	43%	43%	41%	38%	45%
Gross margin PG	34%	47%	43%	52%	50%	49%	49%	65%
	39%	45%	43%	47%	46%	44%	42%	56%
Research and development	-46.5	-48.4	-39.0	-48.3	-35.3	-51.5	-48.3	-65.6
Selling	-38.1	-39.4	-40.3	-45.8	-33.7	-35.2	-34.2	-43.0
Administration	-21.5	-17.1	-18.1	-21.0	-19.3	-21.2	-17.5	-23.2
Other income/expenses	10.7	4.4	-4.8	5.8	-3.2	0.8	-6.1	-19.4
EBIT	36.9	5.6	3.0	42.2	8.6	-7.6	-10.9	118.8

Segment reporting, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Rolling 12 mths	Jan-Dec 13
Income from external customers						
SMT	180.3	138.2	512.1	430.4	699.3	617.6
PG	157.8	81.7	306.5	242.1	443.7	379.4
	338.0	219.9	818.6	672.5	1,143.1	997.0
EBIT						
SMT	14.0	9.1	35.3	0.5	52.3	17.5
PG	23.4	1.2	13.9	-5.5	40.6	21.2
Amortization of acquired intangible assets	-0.5	-1.6	-3.7	-4.8	-5.3	-6.5
Group	36.9	8.6	45.5	-9.9	87.7	32.3

Income statements, Parent company, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Jan-Dec 13
Net sales	168.3	58.1	316.1	168.9	286.3
Cost of goods sold	-115.2	-32.8	-206.7	-79.8	-134.5
Gross profit	53.2	25.3	109.5	89.1	151.8
Research and development expenses	-14.8	-13.1	-47.2	-49.2	-70.4
Selling expenses	-5.0	-8.9	-22.6	-23.3	-34.3
Administrative expenses	-6.9	-7.4	-20.8	-22.2	-30.4
Other income and expenses	5.5	-1.9	8.0	-8.8	-5.5
EBIT	32.0	-6.0	26.9	-14.4	11.0
Result from financial investments	0.2	0.8	1.4	2.7	3.5
Profit/loss before tax	32.2	-5.3	28.3	-11.8	14.5
Tax	-6.3	0.0	-6.2	0.0	0.1
Net profit/loss	25.9	-5.3	22.1	-11.8	14.6
Statements of comprehensive income, SEK million	July-Sep 14	July-Sep 13	Jan-Sep 14	Jan-Sep 13	Jan-Dec 13
Net profit/loss	25.9	-5.3	22.1	-11.8	14.6
Other comprehensive income					
<i>Items to be reclassified to profit and loss</i>					
Translation differences	0.3	0.0	0.5	0.0	0.0
Tax relating to other comprehensive income	-0.1	0.0	-0.1	0.0	-0.1
Total comprehensive income	26.1	-5.3	22.5	-11.8	14.5
Balance sheets, Parent company, SEK million	30 Sep 14	30 Sep 13	31 Dec 13		
ASSETS					
Fixed assets					
Intangible and tangible assets	21.5	25.0	22.7		
<i>Financial assets</i>					
Participations in group companies	365.5	351.1	365.4		
Receivables from group companies	5.1	7.1	7.2		
Other non-current receivables	17.3	19.5	18.9		
Deferred tax receivables	57.1	63.4	63.4		
<i>Total financial assets</i>	<i>444.9</i>	<i>441.1</i>	<i>454.8</i>		
Total fixed assets	466.4	466.1	477.6		
Current assets					
Inventories	68.2	107.1	104.9		
<i>Current receivables</i>					
Trade receivables	53.1	11.6	71.8		
Receivables from group companies	165.9	302.4	222.7		
Other current receivables	24.3	15.7	13.2		
<i>Total current receivables</i>	<i>243.2</i>	<i>329.7</i>	<i>307.8</i>		
Cash and cash equivalents	310.2	217.7	280.6		
Total current assets	621.6	654.5	693.3		
Total assets	1,088.0	1,120.5	1,170.8		
EQUITY AND LIABILITIES					
Equity	859.4	1,055.3	1,081.7		
Trade payables	4.7	8.1	13.8		
Liabilities to group companies	0.8	-	3.8		
Current liabilities	223.1	57.1	71.5		
Total liabilities	228.6	65.2	89.1		
Total equity and liabilities	1,088.0	1,120.5	1,170.8		
<i>Pledged assets</i>	<i>89.0</i>	<i>89.0</i>	<i>89.0</i>		



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Täby, 27 October 2014
Mycronic AB (publ)
The Board

Mycronic's vision

The business partner of choice, enabling the future of electronics

Mycronic's 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.

Mycronic's long-term financial objectives

Growth

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

Profitability

Over time EBIT (earnings before interest and tax) will exceed 10 percent of net sales over a business cycle.

Capital structure

Net debt will be less than 3 times the average EBITDA (earnings before depreciation, amortization, interest and tax).

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THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

To the Board of Mycronic AB (publ), corporate identity number 556351-2374

Introduction

We have reviewed the condensed interim report for Mycronic AB (publ) as at September 30, 2014 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 27 October, 2014
Ernst & Young AB

Heléne Siberg Wendin
Authorized Public Accountant