



Annual Report 2013

Elecster Oyj



Managing Director's Review



Throughout the whole past year, the world's financial markets were marked by contradictions. In the US, finance already had a promising growth outlook. Due to internal development reasons, the US however decided to reduce reviving their finance and to pare down monthly bond purchases by 10 billion USD. This information, starting already from its anticipation, was a bad signal to many currencies in the emerging markets.

Among our marketing areas, it hit worst to Russia and India, whose currencies have weakened remarkably, by approx. 20%, since the fluctuation started in May 2013. At the very moment, the situation in Russia has become quite acute, but we hope that it will soon calm down and the Russian Ruble exchange rate will return to a higher level.

Europe is still in stagnation, due to the high exchange rate of Euro currency, hampering the growth to start. In the developing countries, the growth has continued, though slower than earlier due to the swing of the exchange rates.

During the recently ended financial period, our position in the markets however strengthened, thanks to our reference plants. In our sector, competition is tough. Many local providers are clear threats to us, since our machines and services originate from the area of strong Euro currency. In order to maintain our gained market position, we have to be able to further develop our supply and services.

In the milk packaging sector, the current trend is to offer the customers smaller and smaller packages. Through smaller

package sizes, more customers have an opportunity to become milk consumers at a very low cost. For cutting the unit price down, we introduced in the markets as small as 100ml packages, which have been attracted great interest in many countries. We believe this will lower the purchasing threshold and enable more and more disadvantaged people to pour a dash of milk in their evening tea.

Thanks to our recent reference plants and by the help of new products, we trust the positive development in our market areas will continue this year. We hope that the exchange rates will calm down, making a dawning growth in the world finance possible.

As I write this review, we are facing a new great threat, the dispute between Russia and Ukraine over Crimea. As Russia is a really important market area to us, this crisis and its results could have a notable impact on our company too. I hope that all parties will hold their temper and find a peaceful solution to the dispute.

The past year required a lot of efforts from all of us. I wish to thank our personnel for the successful work done to reach our set targets. I also thank sincerely our customers, shareholders and other partners for the cooperation during the past year.

In Akaa, 3.3.2014
Jarmo Halonen

Consolidated Financial Statements, IFRS

Consolidated income statement

EUR 1.000	1.1.-31.12.2013	1.1.-31.12.2012
Net sales	45 349	43 856
Change in inventories of finished goods and work in progress	-313	1 615
Production for own use	149	5
Other operating income	312	346
Material and services	-22 403	-23 230
Employee benefit expenses	-10 369	-10 529
Depreciation	-1 880	-1 757
Other operating expenses	-7 314	-6 907
OPERATING PROFIT	3 531	3 400
Financial income	1 013	1 567
Financial expenses	-1 691	-2 014
PROFIT BEFORE TAXES	2 853	2 953
Income taxes	-558	-706
PROFIT FOR THE PERIOD	2 295	2 247
NET PROFIT/LOSS ATTRIBUTABLE TO		
Equity holders of the parent	2 245	2 210
Minority interest	50	37
	2 295	2 247
Earnings per share calculated on profit attributable to equity holders of the parent		
Earnings per share undiluted (EUR), continuing operations	0,60	0,59
Earnings per share diluted (EUR), continuing operations	0,60	0,59

Statement of comprehensive income

	1.1.-31.12.2013	1.1.-31.12.2012
PROFIT FOR THE PERIOD	2 295	2 247
OTHER COMPREHENSIVE INCOME:		
Exchange difference on translating foreign operations	-792	197
Cash flow hedges, net of tax	26	-62
Other comprehensive income, net of tax	-766	135
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 529	2 382
Total comprehensive income attributable to		
Equity holders of the parent	1 479	2 344
Minority interest	49	38
	1 529	2 382

Consolidated Financial Statements, IFRS

Consolidated balance sheet

EUR 1.000	31.12.2013	31.12.2012
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	152	139
Tangible assets	12 102	12 112
Investments available for sale	420	420
Long-term receivables	583	1 468
Deferred tax assets	185	221
TOTAL NON-CURRENT ASSETS	13 441	14 360
CURRENT ASSETS		
Inventories	14 728	15 254
Trade receivables and other receivables	9 373	10 131
Tax receivable, income tax	298	165
Cash and bank	5 411	4 134
TOTAL CURRENT ASSETS	29 809	29 684
TOTAL ASSETS	43 251	44 044
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	3 152	3 152
Share premium account	4 239	4 239
Fair value reserve	-36	-63
Other reserves	92	94
Translation differences	217	396
Retained earnings	12 456	11 759
Minority interest	20 120	19 577
SHAREHOLDERS' EQUITY	21 183	20 620
NON-CURRENT LIABILITIES		
Deferred tax liability	450	580
Long-term liabilities, interest-bearing	8 148	9 092
TOTAL NON-CURRENT LIABILITIES	8 598	9 672
CURRENT LIABILITIES		
Short-term interest-bearing liabilities	8 177	8 056
Trade payables and other liabilities	5 274	5 634
Tax liability, income tax	20	61
TOTAL CURRENT LIABILITIES	13 470	13 752
TOTAL EQUITY AND LIABILITIES	43 251	44 044

Key indicators

Financial indicators

1000 EUR	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009
Net sales	45 349	43 856	45 407	39 398	35 540
Net sales change, %	3,4 %	-3,4 %	15,3 %	10,9 %	-3,7 %
Operating profit	3 531	3 401	3 403	2 573	2 277
of net sales	7,8 %	7,8 %	7,5 %	6,5 %	6,4 %
Profit before extra-ordinary items and taxes	2 853	2 953	2 836	2 082	1 478
% of net sales	6,3 %	6,7 %	6,2 %	5,3 %	4,2 %
Return on equity, %	11,0 %	11,3 %	11,9 %	8,7 %	7,2 %
Return on investment, %	10,6 %	11,4 %	11,3 %	9,6 %	7,2 %
Balance sheet total	43 251	44 044	43 474	44 215	40 631
Equity ratio, %	49,7 %	47,6 %	44,8 %	40,9 %	39,3 %
Gearing, %	51,5 %	63,1 %	75,2 %	88,8 %	97,2 %
Gross investments	2 261	1 176	928	850	2 081
% of net sales	5,0 %	2,7 %	2,0 %	2,2 %	5,9 %
Research and development	1 054	1 061	942	933	881
% of net sales	2,3 %	2,4 %	2,1 %	2,4 %	2,5 %
Average number of personnel during year	343	338	335	326	321
about which abroad	184	180	174	164	161

Adjusted share-related indicators

	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009
Earnings per share, eur	0,60	0,59	0,54	0,40	0,33
Earnings per share (diluted), eur	0,60	0,59	0,54	0,40	0,33
Dividend per share (A-share), eur	0,26 *)	0,25	0,22	0,17	0,14
Dividend per share (K-share), eur	0,26 *)	0,25	0,22	0,17	0,14
Dividend per earnings, %	43,3 %	42,3 %	40,7 %	42,5 %	42,4 %
Effective dividend yield, %	4,3 %	5,3 %	5,3 %	3,9 %	3,5 %
Equity per share, eur	5,37	5,22	4,82	4,40	3,97
Price per earnings ratio (P/E-ratio)	10	8	8	11	12
Trading volume (A-share), 1000 pcs	204	223	240	361	319
% average number of shares	11,2 %	12,3 %	13,2 %	19,9 %	17,5 %
Average number of shares	3 748 116	3 748 116	3 748 116	3 748 116	3 748 116
Number of shares at the end of period					
A-share	1 820 116	1 820 116	1 820 116	1 820 116	1 820 116
K-share	1 928 000	1 928 000	1 928 000	1 928 000	1 928 000
Adjusted share (A-share)					
lowest share price, eur	4,60	4,00	3,40	4,05	2,75
highest share price, eur	6,30	4,88	4,83	4,75	4,53
share price at December 31, eur	6,05	4,75	4,16	4,33	4,05
Market capitalization of shares December 31, euros millions	22,7	17,8	15,6	16,2	15,2

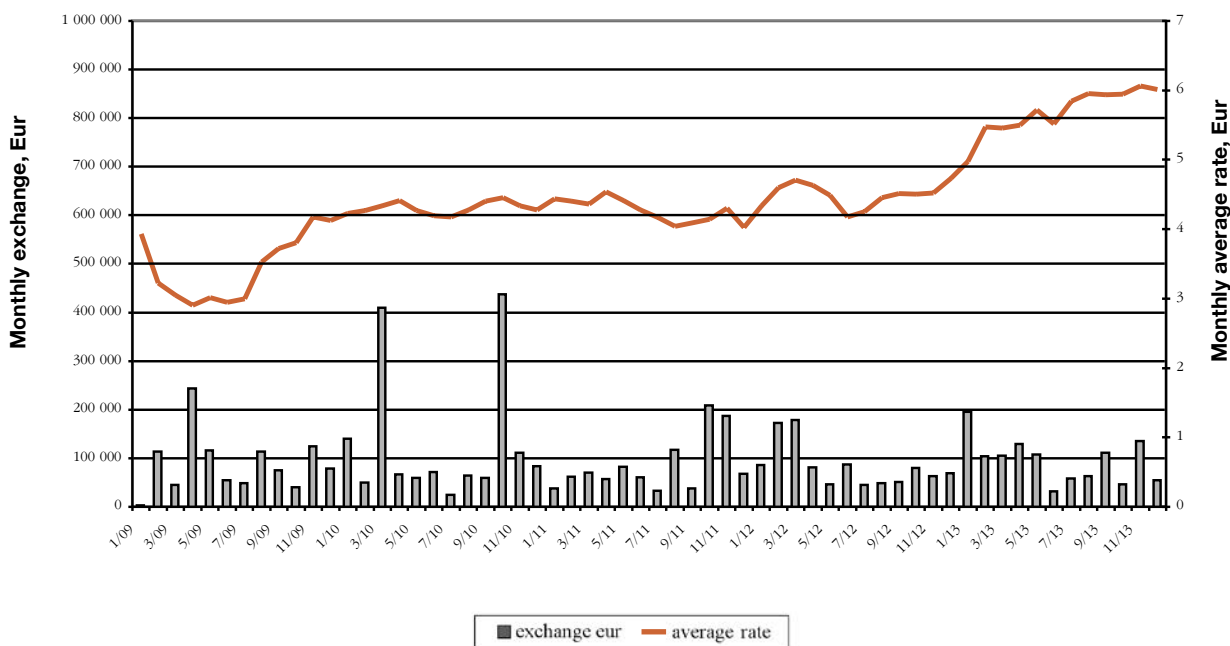
*) proposal by the Board of Directors

Calculation of key figures

Return on equity, %	$\frac{\text{Profit before extra-ordinary items and taxes - direct taxes}}{\text{Total equity (average)}} * 100$
Return on investments, %	$\frac{\text{Profit before extra-ordinary items and taxes + interest expences and other financial expenses}}{\text{Total assets - non-interest-bearing liabilities (average)}} * 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advance payments received}} * 100$
Gearing, %	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Total equity}} * 100$
Earnings/share	$\frac{\text{Profit before extra-ordinary items - taxes - +/- minority interest}}{\text{Adjusted number of shares (average)}}$
Shareholders' equity/share	$\frac{\text{Equity attributable to shareholders of parent company}}{\text{Adjusted numbers of shares at 31 December}}$
Price/earnings ratio (P/E)	$\frac{\text{Adjusted share price at 31 December}}{\text{Earnings/share}}$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Adjusted share price at 31 December}} * 100$

Exchange of shares and turnover

**Exchange of shares and average rate
1/2009 - 12/2013**



Share	Share price 31 Dec 2013	Lowest price	Highest price	Trading volume	%-of A-share
A-share	6,05	4,60	6,30	203.728	11,2

Share information

Principal shareholders on December 31st, 2013

	A-share	K-share	%-of shares	%-of votes
1. Okuli Oy	70 000	957 920	27,42 %	45,73 %
2. Finha Capital Oy	499 640	520 000	27,20 %	27,01 %
3. Halonen Irma	2 000	388 760	10,43 %	18,43 %
4. Mandatum Henkivakuutusosakeyhtiö	117 000		3,12 %	0,55 %
5. Mandatum Life Unit-Linked	100 000		2,67 %	0,47 %
6. Määttä Mikko	80 000		2,13 %	0,38 %
7. Onninen Sijoitus Oy	54 447		1,45 %	0,26 %
8. Turun kaupungin vahinkorahasto	41 745		1,11 %	0,20 %
9. Halonen Jukka	11 000	26 280	0,99 %	1,30 %
10. Himahamsterit Oy	34 837		0,93 %	0,17 %

At the end of 2013, the members of Elecster's Board of Directors, Managing Director and the corporations in their authority hold a total 47.810 shares.

These shares represent 1,28 percent of the total share capital and 1,35 percent of voting rights.

Structure of share capital on December 31st 2013

Series of shares	Number of shares	% of shares	% of votes	Share capital Eur
K-shares	1 928 000	51 %	91,37 %	1 621 331,61
A-shares	1 820 116	49 %	8,63 %	1 530 607,68
Total	3 748 116	100 %	100,00 %	3 151 939,29

Distribution of shareholding on December 31st 2013

Breakdown of shareholding

	Number of shares	Number of shareholders	% of shareholders	Shares	% of shares
	1-100	295	30,73 %	17 071	0,46 %
	101-1 000	503	52,40 %	213 614	5,70 %
	1 001-5 000	125	13,02 %	262 202	7,00 %
	5 001-10 000	15	1,56 %	104 699	2,79 %
	10 001-100 000	18	1,88 %	589 555	15,73 %
	100 001-	4	0,42 %	2 555 320	68,18 %
Total		960	100,00 %	3 742 461	99,85 %
Number of shares not entered in the book entry systems				5 655	0,15 %
Number issued				3 748 116	100,0 %

According to shareholders

	Number of shareholders	% of shares
Companies	68	60,33 %
Credit and insurance institutions *)	7	6,63 %
General Government	1	1,11 %
Non-profit institutions	5	0,10 %
Households	875	31,59 %
Foreign owners	4	0,09 %
Number of shares not entered in the book entry systems		0,15 %
Total	960	100,00 %

*) Also the administratively registered shares are included in this figure.

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