

VBG Group AB (publ) in Vänersborg is the Parent Company of an international engineering Group with wholly-owned companies in Europe, the USA, India and China. The Group's operations are divided into three divisions – VBG Truck Equipment, Edscha Trailer Systems and Ringfeder Power Transmission – with products that are marketed under strong, well-known brands. VBG Group AB's Series B share was introduced on the stock exchange in 1987 and is listed today on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap list.

YEAR-END REPORT 2013

Fourth-quarter 2013:

- The Group's net turnover increased by 10.8 per cent to SEK 294.4 M (265.8)
- Operating profit increased to SEK 37.4 M (20.2).
- Profit after financial items amounted to SEK 33.1 M (15.3)

Full-year 2013

- The Group's net turnover increased by 6.0 per cent to SEK 1,171.4 M (1,104.8)
- Operating profit increased to SEK 162.8 M (99.4)
- Profit after financial items amounted to SEK 151.7 M (94.7)
- The Group's profit after tax totalled SEK 112,5 M (69.8)
- Earnings per share amounted to SEK 9.00 (5.58)
- The Board of Directors proposes a raised dividend to SEK 2.75 per share (2.25)

Group	Q4 2013	Q4 2012	Full-year 2013	Full-year 2012
Net turnover, SEK M	294.4	265.8	1,171.4	1,104.8
Operating profit, SEK M	37.4	20.2	162.8	99.4 ¹
Operating margin, %	12.7	7.6	13.9	9.0
Profit after financial items, SEK M	33.1	15.3	151.7	94.7
Profit margin, %	11.2	5.8	13.0	8.6
Profit after tax, SEK M	25.8	13.3	112.5	69.8
Earnings per share, SEK	2.07	1.06	9.00	5.58
Return on capital employed (ROCE), %			18.5	12.4
Return on equity (ROE), %			16.5	11.1
Equity/assets ratio, %			68.8	61.5

¹ Includes restructuring cost of SEK 10.6 M

VBG Group – concluded a positive financial year with a strong fourth quarter

The Group concluded the 2013 financial year with its strongest fourth quarter ever. All three divisions contributed to this achievement by increasing sales and operating profit and by improving the operating margin in the fourth quarter compared with the preceding year.

This strong finish to the year ensured that the 2013 financial year was highly favourable for the Group as a whole. In addition to growth in turnover, a sharp rise in profit and improved margins, it was pleasing to see that the Group's cash flow in 2013 also improved significantly. Through the Group's healthy liquidity and strong balance sheet, this creates a solid and necessary platform for continued profitable growth.

VBG Truck Equipment – record profit for the 2013 financial year

With the acquired company Onspot of North America included in the division for all of 2013, the optimal conditions were created for the division to achieve significant growth in turnover, increased operating profit and improved margins. And this is precisely what occurred. The operations in the American company met the high expectations and reported turnover of nearly SEK 60 M in the North American market and an operating profit of SEK 15 M; the highest ever for the company since it commenced operation in the USA some 25 years ago.

This also contributed to the division as a whole reporting its best financial year to date, with growth of 15 per cent, turnover of SEK 650 M and an operating margin of a record 18 per cent. It is also noteworthy that even if the acquired company is excluded, the operating margin recorded by the division reached a record level of 17 per cent.

Edscha Trailer Systems – enhanced profitability in continued weak market

Heading into 2013, the division expected the trailer business to perform positively and that demand would increase in the second half of the year. However, the market remained weak for much of 2013 and it was only toward the end of the year that an improvement could be seen. Despite this weak market, where growth in turnover for the division only amounted to 1 per cent, Edscha Trailer Systems improved its profitability and its operating margin rose to 9 per cent. Lower costs and more efficient processes contributed to this and the division expects to further improve profitability as a result of the launch of the newly developed generation of sliding roofs in the market in 2014. However, it is principally the result of the anticipated increase in turnover volumes due to the improved market situation that Edscha Trailer Systems will also produce the necessary growth. The main market driver over the next two to three years is primarily the clear need to exchange or replace the existing trailer stock in Europe.

I hold great hope and expect Edscha Trailer Systems, with its strong market position and newly developed products, to have a solid basis in 2014 to continue its journey towards long-term profitable growth.

Ringfeder Power Transmission – delivering positive results in a weak market

In 2013, economic development was weak in the division's two core markets, Germany and North America, where turnover also declined by 10 and 9 per cent, respectively. Asia also experienced a decline of 8 per cent, but as a result of Ringfeder Power Transmissions' global business, the fall in sales could be mitigated for the division as a whole to just over 7 per cent by increasing business in other markets.

Ringfeder Power Transmissions' intensified efforts to identify strategic acquisitions led to a process and negotiations in the second half of the year. In December, the division ultimately decided to discontinue negotiations and the fourth quarter was therefore charged with extra process costs. Organisational changes were also carried out in the fourth quarter in the division's company in the USA, which included replacing the Managing Director of the company. Despite the decline in turnover during the year and the extra fourth-quarter costs detailed above of approximately SEK 2 M, the division reported profitability of approximately 13 per cent for the 2013 financial year.

VBG Group – solid platform for long-term, profitable growth

As I mentioned at the beginning, 2013 was one of the best years for the Group as a whole, despite relatively weak markets for two of our divisions. I anticipate an eventful and interesting 2014 with the launch of new products, advances in new geographic markets and the expectation of an improved economic climate, particularly for Edscha Trailer Systems and Ringfeder Power Transmission.

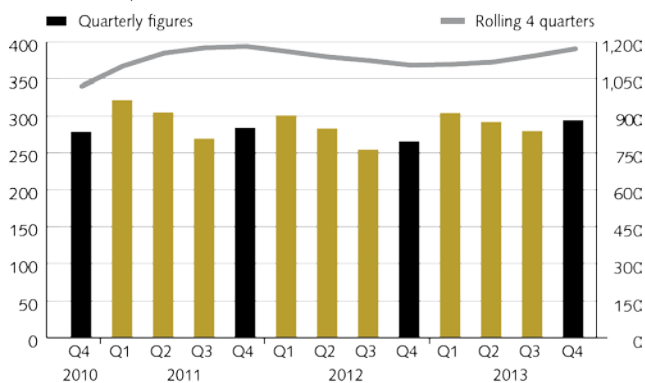
The Group has a strong financial position and the prerequisites certainly exist for VBG Group to continue creating long-term profitable growth.

Anders Birgersson
Managing Director and CEO

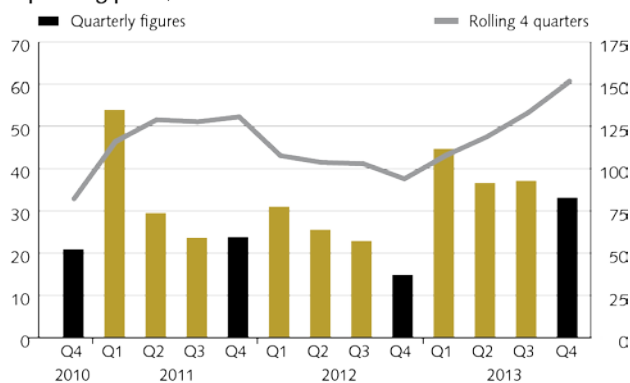
Group trend (SEK M)	Full- year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full- year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net turnover	1,171.4	294.4	280.0	292.5	304.5	1,104.8	265.8	254.7	283.2	301.1
Operating profit	162.8	37.4	39.0	41.6	44.8	99.4 ¹	20.2	21.2	26.7	31.3 ¹
Operating margin, %	13.9	12.7	13.9	14.2	14.7	9.0	7.6	8.3	9.4	10.4
Profit after fin. items	151.7	33.1	37.2	36.6	44.8	94.7	15.3	22.9	25.5	31.0
Profit margin, %	13.0	11.2	13.3	12.5	14.7	8.6	5.8	9.0	9.0	10.3
Profit after tax	112.5	25.8	27.1	27.6	32.0	69.8	13.3	15.6	18.1	22.8
Earnings per share, SEK	9.00	2.07	2.16	2.21	2.56	5.58	1.06	1.25	1.44	1.83
ROCE (cumul.), %	18.5	18.5	18.9	19.7	20.8	12.4	12.4	14.3	15.8	16.7
ROE (cumul.), %	16.5	16.5	17.6	18.3	20.1	11.1	11.1	12.2	13.1	14.5
Equity/assets ratio, %	68.8	68.8	63.3	61.5	61.0	61.5	61.5	62.9	62.3	62.2

¹ Includes restructuring cost of SEK 10.6 M

Net turnover, SEK M



Operating profit, SEK M



Turnover and earnings, fourth-quarter 2013

The turnover of SEK 294.4 M (265.8) was 10.8 per cent higher compared with the fourth quarter of 2012, and taking into account changes in the exchange rates between the quarters in question, the actual volume increase amounted to 9.8 per cent.

The Group's operating profit for the quarter was one of the strongest fourth quarters ever, rising to SEK 37.4 M (20.2) with an operating margin of 12.7 per cent (7.6). This is the result of all three divisions reporting increased turnover, and improved operating profit and margins compared with the year-earlier period.

The VBG Truck Equipment division increased turnover to SEK 167.3 M (147.3), with operating profit of SEK 29.9 M (17.6) and a margin of 17.9 per cent (11.9).

For the Edscha Trailer Systems division, turnover rose to SEK 62.0 M (59.0), with an operating profit of SEK 4.7 M (0.7) and a margin of 7.6 per cent (1.2).

The Ringfeder Power Transmission division increased its turnover to SEK 65.1 M (59.5), posting an operating profit of SEK 5.7 M (4.3) and a margin of 8.8 per cent (7.2).

Group-wide overheads in the Parent Company, that have not been allocated to the divisions, totalled SEK 2.9 M (2.4)

Net interest expense for the quarter was SEK 2.1 M (3.2) and the fourth-quarter currency effect on the Swedish company's EUR-denominated credits resulted in a negative currency effect of SEK 2.2 M (1.7). Overall, this led to a net financial expense of SEK 4.3 M (4.9) and thereby profit after financial items of SEK 33.1 M (15.3).

Profit after tax totalled SEK 25.8 M (13.3) and earnings per share amounted to 2.07 (1.06).

Turnover and earnings, full-year 2013

The Group's turnover for the full-year increased by 6.0 per cent to SEK 1,171.4 M (1,104.8), and the actual volume increase for the full-year was 7.1 per cent after changes in exchange rates between the years are taken into account.

Consolidated operating profit increased sharply to SEK 162.8 M (99.4), with a margin of 13.9 per cent (9.0).

During the year, the VBG Truck Equipment division increased its turnover by 15.0 per cent to SEK 650.2 M (565.2). Operating profit increased to SEK 116.2 M (57.1), while the division posted a margin of 17.9 per cent (10.1).

For the Edscha Trailer Systems division, turnover rose by 1.0 per cent to SEK 254.6 M (252.1). Operating profit increased to SEK 22.9 M (9.7) and the division recorded a margin of 9.0 per cent (3.9).

Turnover for the Ringfeder Power Transmission division declined by 7.3 per cent to SEK 266.6 M (287.5). Operating profit declined to SEK 35.3 M (47.9) and the margin was 13.2 per cent (16.7).

The consolidated operating profit also included Group-wide overheads of SEK 11.6 M (15.3) that were not allocated among the various divisions.

Net interest expense for the full-year was SEK 7.6 M (6.2) and the Swedish company's EUR and USD-denominated credits were adversely impacted by a negative currency effect of SEK 3.5 M (pos: 1.5). Overall, this led to a net financial expense of SEK 11.1 M (4.7). Accordingly, profit after financial items amounted to SEK 151.7 M (94.7) with a profit margin of 13.0 per cent (8.6).

Profit after tax amounted to SEK 112.5 M (69.8), yielding an earnings per share of SEK 9.00 (5.58).

Return on capital employed rose to 18.5 per cent (12.4) and return on equity was 16.5 per cent (11.1). The Group's equity/assets ratio increased from the end of the preceding year to 68.8 per cent (61.5).

Tax expense

The year's tax expense was SEK 39.2 M (24.9), of which current tax accounted for income of SEK 48.3 M (income: 36.5) and deferred tax for an expense of SEK 9.1 M (expense: 11.6, of which 4.7 related to non-recurring income as a consequence of the changed corporate tax rate in Sweden from 26.3 per cent to 22.0 per cent). The tax expense for the year corresponds to a tax rate for the Group of 25.9 per cent (26.3).

Capital expenditures

The Group's capital expenditures for the year amounted to SEK 19.6 M (84.5, of which SEK 59.7 M related to the acquisition of Onspot of North America).

Financial position

Profit after tax for the full year amounted to SEK 112.5 M (69.8) and other comprehensive income/loss to SEK 23.4 M (loss: 36.5), the combined effect of which resulted in comprehensive income of SEK 135.9 M (33.3). Consolidated equity increased to SEK 737.5 M (629.7), after dividends to shareholders of SEK 28.1 M (28.1).

The equity/assets ratio rose during the year to 68.8 per cent (61.5).

Cash and cash equivalents increased by SEK 66.6 M during the year to SEK 131.5 M (66.6) at year-end, in addition to which there were unutilised credit facilities of SEK 141.8 M (118.6), adding up to an available liquidity of SEK 273.3 M (185.2) for the Group at year-end.

The Group's interest-bearing net debt declined by SEK 117.3 M during the year to SEK 42.0 M (159.3) at year-end.

The ratio of interest-bearing net debt to equity was 0.06 at 31 December 2013 (0.25 at 31 December 2012) and the ratio of interest-bearing net debt to consolidated operating profit before depreciation and amortisation (EBITDA) was 0.21 (1.20).

The Group's aggregate goodwill increased slightly on account of exchange-rate changes, amounting to SEK 299.8 M (291.0), which in relation to equity was a ratio of 0.41 (0.46).

Cash flow

Cash flow from operating activities increased to SEK 160.3 million (93.1). Capital expenditures during the year amounted to SEK 23.6 M (94.3). During the year, the Group's total borrowings and current financial liability declined, net, entailing a negative impact from financing activities of SEK 70.1 M (pos: 3.6). As in the preceding year, dividends totalling SEK 28.1 M (28.1) were paid to the shareholders. Consequently, net cash flow for the year was SEK 66.6 M (2.4).

Outlook for 2014

The Group makes no forecast regarding figures, but its assessment is that the potential exists for the Group to increase turnover in 2014, while maintaining favourable profitability.

Personnel

At 31 December 2013, there were 523 employees (527) in the VBG Group, including 179 (173) in Sweden.

The Group employed an average of 518 persons (518) in 2013. Of these, 177 (174) were active in Sweden. The cost of salaries and social security contributions increased by 5.1 per cent and amounted to SEK 274.5 M (261.2).

Per share data

Earnings per share for the year increased to SEK 9.00 (5.58). At 31 December 2013, equity per share was SEK 58.99, compared with SEK 50.36 a year earlier.

During the year, the share price for the VBG Group's Series B share rose by 38.5 per cent to SEK 126.00 (91,00) at year-end, and the number of shareholders declined by 96 during the year to 3,950 (4,046).

VBG TRUCK EQUIPMENT

Fourth-quarter 2013:

- Turnover increased by 13.6 per cent to SEK 167.3 M (147.3)
- Operating profit rose to SEK 29.9 M (17.6), with a margin of 17.9 per cent (11.9)

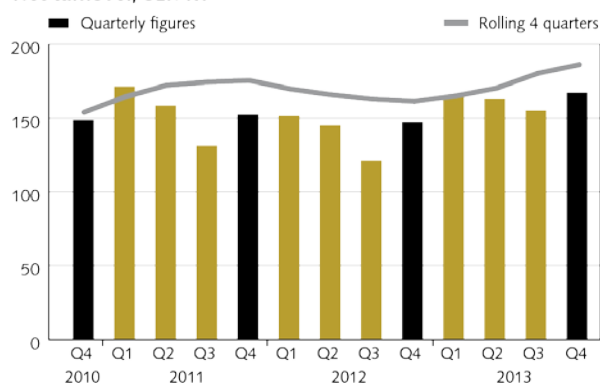
Full-year 2013

- Turnover increased by 15.0 per cent to SEK 650.2 M (565.2)
- Operating profit doubled to SEK 116.2 M (57.1), with a margin of 17.9 per cent (10.1)

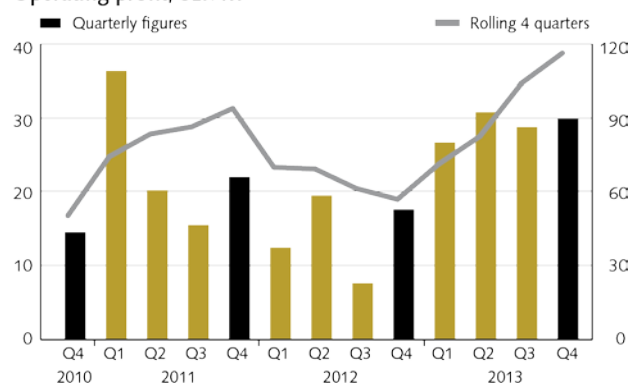
VBG Truck Equipment (SEK M)	Full-year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full-year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net turnover	650.2	167.3	155.3	163.2	164.4	565.2	147.3	121.1	145.2	151.6
Operating profit	116.2	29.9	28.8	30.9	26.6	57.1 ¹	17.6	7.6	19.5	12.4 ¹
Operating margin, %	17.9	17.9	18.5	18.9	16.2	10.1	11.9	6.3	13.4	8.2

¹ Includes restructuring cost of SEK 10.6 M

Net turnover, SEK M



Operating profit, SEK M



Fourth-quarter 2013:

VBG Truck Equipment increased turnover by 13.6 per cent compared with the year-earlier period to SEK 167.3 M (147.3). The impact of the translation of the turnover of foreign subsidiaries to Swedish kronor was negligible and the actual volume increase was 13.3 per cent. Excluding the company Onspot of North America, which was acquired and included in the business division as of 1 December 2012, and exchange-rate changes, the volume increase amounted to 3.3 per cent.

Operating profit for the division rose to SEK 29.9 M (17.6), with an operating margin of 17.9 per cent (11.9).

Full-year 2013

For full-year 2013, turnover increased 15.0 per cent to SEK 650.2 M (565.2). Taking into account exchange-rate changes during the year, the actual volume increase was 16.1 per cent. Excluding the acquired operation, Onspot of North America, the actual volume increase was 6.8 per cent.

The division reported very stable business performance during the year, with an operating profit that remained at a constantly high level each quarter displaying margins of between 16 and 19 per cent. The integration of Onspot of North America proceeded as planned and the company in the USA reported turnover of SEK 57 M and an operating profit of SEK 15 M, which is the best year in the company's 25-year history.

For the full-year, operating profit for the division more than doubled to SEK 116.2 M (57.1), with a sharp increase in the operating margin to 17.9 per cent (10.1).

During 2013, VBG Truck Equipment had an average of 260 employees (245) and, at 31 December 2013, 258 persons (257) were employed in the division.

Turnover by market (SEK M)	Full- year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full- year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Sweden	168.4	41.6	38.2	41.5	47.1	163.0	39.5	33.1	43.5	46.9
Other Nordic countries	116.2	32.0	27.6	28.2	28.4	111.7	30.2	21.1	29.2	31.2
Germany	100.6	24.5	22.8	26.5	26.8	107.0	22.6	26.8	28.2	29.4
Other European countries	150.0	39.3	37.0	37.9	35.8	122.6	35.0	26.2	29.7	31.7
North America	56.9	19.1	14.0	11.1	12.7	4.1	4.1	0.0	0.0	0.0
Rest of world	58.1	10.8	15.7	18.0	13.6	56.8	15.9	13.9	14.6	12.4
VBG Truck Equipment	650.2	167.3	155.3	163.2	164.4	565.2	147.3	121.1	145.2	151.6

EDSCHA TRAILER SYSTEMS

Fourth-quarter 2013:

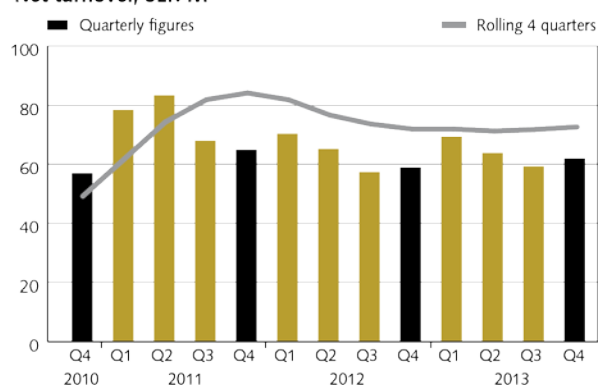
- Turnover increased by 5.1 per cent to SEK 62.0 M (59.0)
- Operating profit rose to SEK 4.7 M (0.7), with a margin of 7.6 per cent (1.2)

Full-year 2013

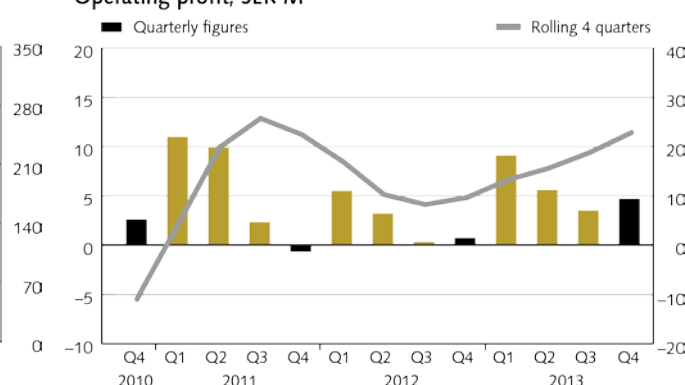
- Turnover increased by 1.0 per cent to SEK 254.6 M (252.1)
- Operating profit rose to SEK 22.9 M (9.7), with a margin of 9.0 per cent (3.9)

Edscha Trailer Systems (SEK M)	Full-year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full-year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net turnover	254.6	62.0	59.3	63.9	69.4	252.1	59.0	57.4	65.3	70.4
Operating profit	22.9	4.7	3.5	5.6	9.1	9.7	0.7	0.3	3.2	5.5
Operating margin, %	9.0	7.6	5.9	8.8	13.1	3.9	1.2	0.5	4.9	7.8

Net turnover, SEK M



Operating profit, SEK M



Fourth-quarter 2013:

Edscha Trailer Systems increased its turnover to SEK 62.0 M (59.0), which was 5.1 per cent higher than the year-earlier period. The translation of the turnover of foreign subsidiaries to Swedish kronor had a positive impact, which is the reason why the actual volume increase was lower at 3.1 per cent.

Operating profit for the fourth quarter was SEK 4.7 M (0.7), with a margin of 7.6 per cent (1.2).

Full-year 2013

The market remained weak for much of 2013 and turnover for the full-year rose by only 1.0 per cent to SEK 254.6 M (252.1). The translation of the turnover of foreign subsidiaries to Swedish kronor had a negative effect for this period, meaning that the actual volume increase was 2.1 per cent.

External costs for the product development program for the new generation of sliding roofs, which will be launched in 2014, amounted to SEK 1.4 M (3.2) during the year. Despite the weak growth, profitability was improved as a result of a generally lower cost level and more efficient processes. Consequently, the division's operating profit was more than doubled to SEK 22.9 M (9.7), with an operating margin of 9.0 per cent (3.9).

In 2013, Edscha Trailer Systems had an average of 84 employees (95) and, at 31 December 2013, 85 persons (89) were employed in the division.

Turnover by market (SEK M)	Full- year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full- year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Sweden	0.5	0.1	0.1	0.2	0.1	0.4	0.0	0.1	0.2	0.1
Other Nordic countries	1.0	0.2	0.0	0.4	0.4	0.6	0.0	0.3	0.2	0.1
Germany	140.0	34.1	32.3	36.5	37.1	160.7	40.0	36.3	42.0	42.4
Other European countries	112.5	27.3	26.8	26.7	31.7	89.9	18.9	20.6	22.7	27.7
Rest of world	0.6	0.3	0.1	0.1	0.1	0.5	0.1	0.1	0.2	0.1
Edscha Trailer Systems	254.6	62.0	59.3	63.9	69.4	252.1	59.0	57.4	65.3	70.4

RINGFEDER POWER TRANSMISSION

Fourth-quarter 2013:

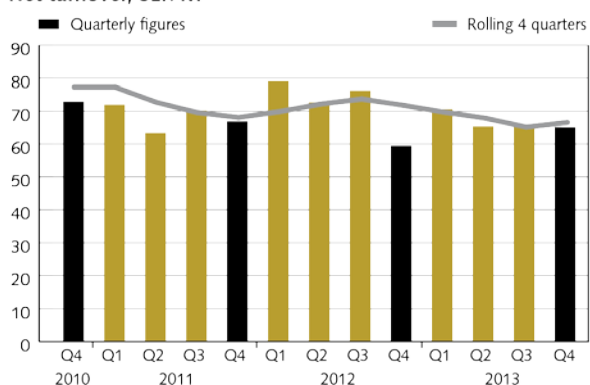
- Turnover increased by 9.4 per cent to SEK 65.1 M (59.5)
- Operating profit rose to SEK 5.7 M (4.3), with a margin of 8.8 per cent (7.2)

Full-year 2013

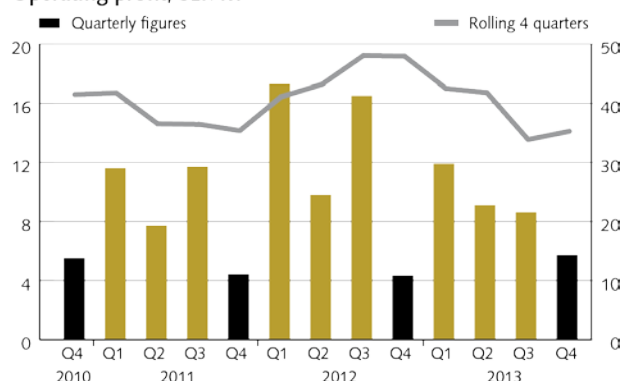
- Turnover decreased by 7.3 per cent to SEK 266.6 M (287.5)
- Operating profit declined to SEK 35.3 M (47.9) and the margin was 13.2 per cent (16.7).

Ringfeder Power Transmission (SEK M)	Full-year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full-year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net turnover	266.6	65.1	65.4	65.4	70.7	287.5	59.5	76.2	72.7	79.1
Operating profit	35.3	5.7	8.6	9.1	11.9	47.9	4.3	16.5	9.8	17.3
Operating margin, %	13.2	8.8	13.1	13.9	16.8	16.7	7.2	21.7	13.5	21.9

Net turnover, SEK M



Operating profit, SEK M



Fourth-quarter 2013:

During the fourth quarter, turnover rose by 9.4 per cent to SEK 65.1 M (59.5) and, including exchange-rate changes, the increase was 7.7 per cent.

The fourth quarter was charged with a total of approximately SEK 2 M attributable to costs in conjunction with the reorganisation of the division's companies in the USA and for costs associated with an initiated and subsequently discontinued acquisition process. Nevertheless, operating profit for the fourth quarter was improved on the year-earlier period and amounted to SEK 5.7 M (4.3), with a margin of 8.8 per cent (7.2).

Full-year 2013

Weak economic conditions prevailed throughout the year in large regions of the global market and full-year turnover for the division declined by 7.3 per cent to SEK 266.6 M (287.5). Taking into account the year's exchange-rate changes upon translation to Swedish kronor, the actual volume decline was 6.1 per cent.

In the division's single largest market, Germany, sales declined by 10 per cent, and the second largest market, North America, declined by 9 per cent. Asia noted a decline of 8 per cent, but as a result of Ringfeder Power Transmissions' global business, the fall in sales could be mitigated for the division as a whole to 7.3 per cent by increasing business in other markets.

For full-year 2013, operating profit declined to SEK 35.3 M (47.9), albeit with a continued healthy operating margin of 13.2 per cent (16.7).

During 2013, Ringfeder Power Transmission had an average of 168 employees (171) and, at 31 December 2013, 174 persons (175) were employed in the division.

Turnover by market (SEK M)	Full- year 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full year 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Germany	90.6	20.4	24.1	22.0	24.1	100.4	23.2	25.3	23.9	28.0
Other European countries	38.5	9.0	9.7	11.1	8.7	38.9	8.5	9.6	9.3	11.5
North America	81.3	18.2	20.0	21.6	21.5	88.9	19.2	22.5	23.4	23.8
Rest of world	56.2	17.5	11.6	10.7	16.4	59.3	8.6	18.8	16.1	15.8
Ringfeder Power Transmission	266.6	65.1	65.4	65.4	70.7	287.5	59.5	76.2	72.7	79.1

Parent Company

VBG Group AB's operations are focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries and trademarks. The company also owns the industrial property in Vänersborg that is rented by the subsidiary VBG Group Truck Equipment AB.

The objective is that the Group's intellectual property in the form of trademarks and other rights should be gathered in the Parent Company. VBG Group AB focuses on maintaining and developing all the Group's trademarks and rights.

The Parent Company's net turnover pertains primarily to intra-Group services, licence revenues and rentals and amounted to SEK 22.6 M during the year (20.2). The operating loss for the year was SEK 9.1 M (loss: 9.1). Profit, after dividends from Group companies totalling SEK 69.8 M (71.6), and impairment losses on shares in subsidiaries and net financial expenses totalling SEK 4.7 M (income: 1.3), amounted to SEK 43.0 M (63.8).

Risks and uncertainty factors

The Group's and the Parent Company's significant risk and uncertainty factors include business-related operational risks in the form of commodity risks, product risks, development risks, intellectual property risks, environmental risks, political risks, business interruption and property risks, cyclical risks, IT security risks and legal risks. To these can be added financial risks such as financing risks, liquidity risks, interest rate risks, exchange-rate risks and credit and counterparty risks.

For a more detailed description of the Group's risks and risk management, see VBG Group AB's annual report for 2012, Note 2.

Proposed dividend

The Board of Directors of VBG Group AB (publ) proposes that the 2014 AGM resolve to approve a raised dividend of SEK 2.75 per share (2.25) for financial year 2013. The proposed dividend entails a total distribution of funds from the Parent Company totalling SEK 34.4 M, equivalent to 4.7 per cent of the Group's equity at year-end. The Group reported profit after tax corresponding to 9.00 per share, implying that the proposed dividend represents 30.6 per cent of net profit for the year.

Annual General Meeting and annual report

The 2014 Annual General Meeting will be held at 5:00 p.m. on 24 April in the company's offices at Herman Kreftings gata 4 in Vänersborg. The annual report will be published on the company's website at the end of March 2014 and will also be available at VBG Group AB's offices in Vänersborg.

Financial information 2014/2015

Interim report 3 months 2014	24 April 2014
Annual General Meeting in Vänersborg	24 April 2014, at 5:00 p.m.
Interim report 6 months 2014	21 August 2014
Interim report 9 months 2014	22 October 2014
Year-end report 2014	February 2015

Related-party transactions

There have been no related-party transactions in 2013 that have significantly affected the company's financial position and results. Related-party transactions during 2012 are disclosed in Note 5 in the annual report for 2012.

Accounting policies

The VBG Group applies International Financial Reporting Standards (IFRSs) as adopted by the EU in its consolidated accounts. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2.

The accounting policies that have been applied in the preparation of this report, as well as definitions of key figures etc., are described in Note 1 of VBG Group AB's annual report for 2012.

Change in accounting policy

IAS 19, "Employee benefits," has been amended. The change entails that the "corridor method" is no longer used and revaluation of defined-benefit obligations is recognised in "Other comprehensive income/loss", along with the effects of excess/deficit return on plan assets.

The new accounting policies are being applied retrospectively, and the opening balance at 1 January 2012 has therefore been recalculated. An actuarial calculation is normally done once a year, and the effects are reported in the fourth quarter. As a consequence, the Group's equity at 1 January 2012 has been reduced by SEK 12.1 M (SEK 0.97 per share) and the pension liability (including payroll tax) has increased by SEK 18.6 M. In the comparison figures for 31 December 2012, the pension liability has been changed from SEK 99.5 M to SEK 136.5 M, the deferred tax liability from SEK 38.5 M to SEK 29.5 M and accrued expenses from SEK 56.6 M to SEK 54.4 M.

For the full-year 2012, the net profit for the year has been increased by SEK 0.4 M (SEK 0.03 per share), while other comprehensive income/loss has been reduced by SEK 14.0 M (SEK 1.12 per share).

Auditor's review

This year-end report is unaudited.

Vänersborg, 18 February 2014

VBG Group AB (publ)

The Board of Directors

NOTE

The information in this year-end report is of the type that VBG Group AB is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 18 February 2014 at 11:00 a.m.

For further information please contact:

Anders Birgersson, Managing Director and CEO
Telephone: +46 521 27 77 67, +46 702 27 77 78
E-mail: anders.birgersson@vbgroup.com

Consolidated Income Statement and Statement of Comprehensive Income – Highlights (SEK M)	Q4 Oct-Dec 2013	Q4 Oct-Dec 2012	Full-year 2013	Full-year 2012
Net turnover	294.4	265.8	1,171.4	1,104.8
Cost of goods sold	-177.7	-167.7	-691.8	-697.5
Selling expenses	-43.1	-43.1	-176.3	-178.8
Administrative expenses	-30.3	-25.6	-109.8	-95.3
Research and development costs	-7.9	-10.6	-29.4	-34.0
Other operating income and expenses	2.0	1.4	-1.3	0.2
Operating profit	37.4	20.2	162.8	99.4
Net financial items	-4.3	-4.9	-11.1	-4.7
Profit after fin. items	33.1	15.3	151.7	94.7
Tax	-7.3	-2.0	-39.2	-24.9
Profit for the period	25.8	13.3	112.5	69.8
Net profit for the period attributable to Parent Company shareholders	25.8	13.3	112.5	69.8
Depreciation and amortisation charged to profit	-9.0	-7.4	-32.3	-33.1
Other comprehensive income/loss				
Profit for the period	25.8	13.3	112.5	69.8
Items that will not be reversed in the Income Statement				
Effect of translation of defined-benefit pension plans, net after tax	11.8	-3.8	11.8	-14.0
Items that may later be reversed in the Income Statement				
Translation differences pertaining to foreign operations	13.3	10.8	11.6	-23.7
Translation differences pertaining to hedge accounting for net investments in foreign operations	-0.4	0.4	0.0	1.2
Other comprehensive income/loss, net after tax	24.7	7.4	23.4	-36.5
Comprehensive income/loss for the period	50.5	20.7	135.9	33.3
Comprehensive income/loss for the period attributable to Parent Company shareholders	50.5	20.7	135.9	33.3
Earnings per share, basic and diluted, SEK	2.07	1.06	9.00	5.58
Number of shares at end of period ('000)	12,502	12,502	12,502	12,502
Average number of shares during the period	12,502	12,502	12,502	12,502
Number of own shares at end of period	1,192	1,192	1,192	1,192
Average number of own shares	1,192	1,192	1,192	1,192

Turnover and earnings by segment (SEK M)		VBG Truck Equipment	Edscha Trailer Systems	Ringfeder Power Transmission	Group-wide	Group
2013:						
Q4 Oct–Dec:	Net turnover	167.3	62.0	65.1		294.4
	Operating profit/loss	29.9	4.7	5.7	-2.9	37.4
	Operating margin, %	17.9	7.6	8.8		12.7
	Net financial items				-4.3	-4.3
	Profit after fin. items					33.1
12 months:						
	Net turnover	650.2	254.6	266.6		1,171.4
	Operating profit/loss	116.2	22.9	35.3	-11.6	162.8
	Operating margin, %	17.9	9.0	13.2		13.9
	Net financial items				-11.1	-11.1
	Profit after fin. items					151.7
2012:						
Q4 Oct–Dec:	Net turnover	147.3	59.0	59.5		265.8
	Operating profit/loss	17.6	0.7	4.3	-2.4	20.2
	Operating margin, %	11.9	1.2	7.2		7.6
	Net financial items				-4.9	-4.9
	Profit after fin. items					15.3
12 months:						
	Net turnover	565.2	252.1	287.5		1,104.8
	Operating profit/loss	57.1	9.7	47.9	-15.3	99.4
	Operating margin, %	10.1	3.9	16.7		9.0
	Net financial items				-4.7	-4.7
	Profit after fin. items					94.7

Consolidated Balance Sheet – Highlights (SEK M)	2013 31/12	2012 31/12
Goodwill	299.8	291.0
Other intangible assets	48.3	54.5
Property, plant and equipment	157.0	165.3
Long-term investments	14.1	4.4
Total non-current assets	519.2	515.2
Inventories	223.4	249.8
Receivables	198.0	191.6
Cash on hand, demand deposits and short-term investments	131.5	66.6
Total current assets	552.9	508.0
TOTAL ASSETS	1,072.1	1,023.2
Equity	737.5	629.7
Non-current liabilities	194.3	232.8
Current liabilities	140.3	160.7
TOTAL EQUITY AND LIABILITIES	1,072.1	1,023.2

Changes in Group equity (SEK M)	Full-year 2013	Full-year 2012
Opening equity	629.7	636.6
Effect of change in accounting policy for defined-benefit pension plans	0.0	-12.1
Adjusted opening balance	629.7	624.5
Total comprehensive income/loss for the period	135.9	33.3
Dividend	-28.1	-28.1
Equity at end of period	737.5	629.7

Cash Flow Statement – Highlights (SEK M)	Full-year 2013	Full-year 2012
Cash flow from operating activities before changes in working capital	128.8	99.3
Change in working capital	31.5	-6.2
Cash flow from operating activities	160.3	93.1
Cash flow from investing activities	-23.6	-94.3
Cash flow from financing activities	-70.1	3.6
Cash flow for the year	66.6	2.4
Cash and cash equivalents at start of year	66.6	65.2
Translation difference, cash and cash equivalents	-1.7	-1.0
Cash and cash equivalents at end of period	131.5	66.6
Unutilised overdraft facilities	141.8	118.6
Available cash and cash equivalents	273.3	185.2

Key figures for Group	Full-year 2013	Full-year 2012
Profit margin (ROS), %	13.0	8.5
Return on equity (ROE), %	16.5	11.1
Return on capital employed (ROCE), %	18.5	12.4
Equity/assets ratio, %	68.8	61.5
Equity per share, SEK	58.99	50.36
Cash flow per share (before change in working capital), SEK	10.30	7.94
Share price at end of period, SEK	126.00	91.00
Number of employees, average	518	518

Parent Company Income Statement (SEK M)	Full-year 2013	Full-year 2012
Net turnover	22.6	20.2
Operating expenses	-31.7	-29.3
Operating profit/loss	-9.1	-9.1
Net financial items	52.1	72.9
Profit after fin. items	43.0	63.8
Appropriations	2.9	4.1
Tax	-1.5	-0.4
Profit after tax and comprehensive income/loss	44.4	67.5

Parent Company Balance Sheet (SEK M)	2013 31/12	2012 31/12
Intangible assets	9.9	12.1
Property, plant and equipment	6.3	6.7
Long-term investments	558.1	570.9
Total non-current assets	574.3	589.7
Receivables	95.5	111.4
Cash on hand, demand deposits and short-term investments	51.3	11.8
Total current assets	146.8	123.2
TOTAL ASSETS	721.1	712.9
Equity	397.1	380.8
Untaxed reserves	20.2	23.1
Provisions	11.0	10.6
Non-current liabilities	19.5	48.0
Current liabilities	273.3	250.4
TOTAL EQUITY AND LIABILITIES	721.1	712.9