



Elecster Oyj
Annual report 2012

Managing Director's Review



It was the European debt crisis that ruled the economic policy debate here in Finland and all through the Eurozone in year 2012. The world outside the Eurozone also suffered from the Eurozone's poor economic growth.

The European countries are significant trade partners for China, India and many other developing countries, and as the development of the purchasing power in the European countries has been weak, it has direct impacts on the exports of the developing countries and at the same time on their grow rates.

For Elecster, focused mainly on the developing countries, the growth and strong development of their economics is an important context.

In our focus area, consumption of food, especially milk, is still growing intensively, and there is clearly need for processing capacity, both in quantity- and quality-wise. Our customers' ability to make necessary investments is however very much depending on the economic development of their countries, even though the growth rate has a clear connection to this ability.

Expressed with fishing terms: our nets are where the fish swim.

Elecster's aim is to 'conquer the world' in our sector. In year 2012, we were still on the way to build a solid foundation for the coming years.

Our concept as a total solution supplier has been received well in the markets. Thanks to many new reference deliveries, our position has still been strengthened, and we are now established in almost every important milk country. We will keep on persistent efforts for firming our position, with the help and obvious proof of the recent references.

We are very trustful for the future and believe year 2013 will be a positive step in this development chain.

I wish to express great thanks to our personnel for the persistent and successful work done. Thank you also for our customers, shareholders and other partners for the good cooperation during the past year.

Akaa, March 11rd 2013
Jarmo Halonen

Consolidated Financial Statements, IFRS

Consolidated income statement

EUR 1.000	1.1.-31.12.2012	1.1.-31.12.2011
Net sales	43 856	45 407
Change in inventories of finished goods and work in progress	1 615	843
Production for own use	5	139
Other operating income	346	344
Material and services	-23 230	-22 766
Employee benefit expenses	-10 529	-10 149
Depreciation	-1 757	-1 763
Other operating expenses	-6 907	-8 651
OPERATING PROFIT	3 400	3 404
Financial income	1 567	1 293
Financial expenses	-2 014	-1 860
PROFIT BEFORE TAXES	2 953	2 836
Income taxes	-706	-665
PROFIT FOR THE PERIOD	2 247	2 171
NET PROFIT/LOSS ATTRIBUTABLE TO		
Equity holders of the parent	2 210	2 021
Minority interest	37	150
	2 247	2 171
Earnings per share calculated on profit attributable to equity holders of the parent		
Earnings per share undiluted (EUR), continuing operations	0,59	0,54
Earnings per share diluted (EUR), continuing operations	0,59	0,54

Statement of comprehensive income

	1.1.-31.12.2012	1.1.-31.12.2011
PROFIT FOR THE PERIOD	2 247	2 171
OTHER COMPREHENSIVE INCOME:		
Exchange difference on translating foreign operations	197	173
Cash flow hedges, net of tax	-62	
Other comprehensive income, net of tax	135	173
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2 382	2 344
Total comprehensive income attributable to		
Equity holders of the parent	2 344	2 194
Minority interest	38	150
	2 382	2 344

Consolidated Financial Statements, IFRS

Consolidated balance sheet

EUR 1.000	31.12.2012	31.12.2011
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	139	124
Tangible assets	12 112	12 541
Investments available for sale	420	420
Long-term receivables	1 468	2 101
Deferred tax assets	221	145
TOTAL NON-CURRENT ASSETS	14 360	15 331
CURRENT ASSETS		
Inventories	15 254	13 507
Trade receivables and other receivables	10 131	11 007
Tax receivable, income tax	165	59
Cash and bank	4 134	3 571
TOTAL CURRENT ASSETS	29 684	28 144
TOTAL ASSETS	44 044	43 474
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	3 152	3 152
Share premium account	4 239	4 239
Fair value reserve	-63	
Other reserves	94	84
Translation differences	396	387
Retained earnings	11 759	10 188
	19 577	18 050
Minority interest	1 042	1 041
SHAREHOLDERS' EQUITY	20 620	19 091
NON-CURRENT LIABILITIES		
Deferred tax liability	580	528
Long-term liabilities, interest-bearing	9 092	8 865
TOTAL NON-CURRENT LIABILITIES	9 672	9 393
CURRENT LIABILITIES		
Short-term interest-bearing liabilities	8 056	9 066
Trade payables and other liabilities	5 634	5 856
Tax liability, income tax	61	68
TOTAL CURRENT LIABILITIES	13 752	14 990
TOTAL EQUITY AND LIABILITIES	44 044	43 474

Key indicators

Financial indicators

1000 EUR	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009	IFRS 2008
Net sales	43 856	45 407	39 398	35 540	36 908
Net sales change, %	-3,4 %	15,3 %	10,9 %	-3,7 %	-12,4 %
Operating profit	3 401	3 403	2 573	2 277	2 354
% of net sales	7,8 %	7,5 %	6,5 %	6,4 %	6,4 %
Profit before extra-ordinary items and taxes	2 953	2 836	2 082	1 478	1 364
% of net sales	6,7 %	6,2 %	5,3 %	4,2 %	3,7 %
Return on equity, %	11,3 %	11,9 %	8,7 %	7,2 %	7,3 %
Return on investment, %	11,4 %	11,3 %	9,6 %	7,2 %	8,9 %
Balance sheet total	44 044	43 474	44 215	40 631	40 670
Equity ratio, %	47,6 %	44,8 %	40,9 %	39,3 %	38,5 %
Gearing, %	63,1 %	75,2 %	88,8 %	97,2 %	107,0 %
Gross investments	1 176	928	850	2 081	3 414
% of net sales	2,7 %	2,0 %	2,2 %	5,9 %	9,3 %
Research and development	1 061	942	933	881	905
% of net sales	2,4 %	2,1 %	2,4 %	2,5 %	2,5 %
Average number of personnel during year about which abroad	338 180	335 174	326 164	321 161	325 165

Adjusted share-related indicators

	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009	IFRS 2008
Earnings per share, eur	0,59	0,54	0,40	0,33	0,25
Earnings per share (diluted), eur	0,59	0,54	0,40	0,33	0,25
Dividend per share (A-share), eur	0,25 *)	0,22	0,17	0,14	0,10
Dividend per share (K-share), eur	0,25 *)	0,22	0,17	0,14	0,10
Dividend per earnings, %	42,3 %	40,7 %	42,5 %	42,4 %	40,0 %
Effective dividend yield, %	5,3 %	5,3 %	3,9 %	3,5 %	2,8 %
Equity per share, eur	5,22	4,82	4,40	3,97	3,82
Price per earnings ratio (P/E-ratio)	8	8	11	12	14
Trading volume (A-share), 1000 pcs	223	240	361	319	273
% average number of shares	12,3 %	13,2 %	19,9 %	17,5 %	15,0 %
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	4,00	3,4	4,05	2,75	3,02
highest share price, eur	4,88	4,83	4,75	4,53	6,10
share price at December 31, eur	4,75	4,16	4,33	4,05	3,60
Market capitalization of shares December 31, euros millions	17,8	15,6	16,2	15,2	13,5

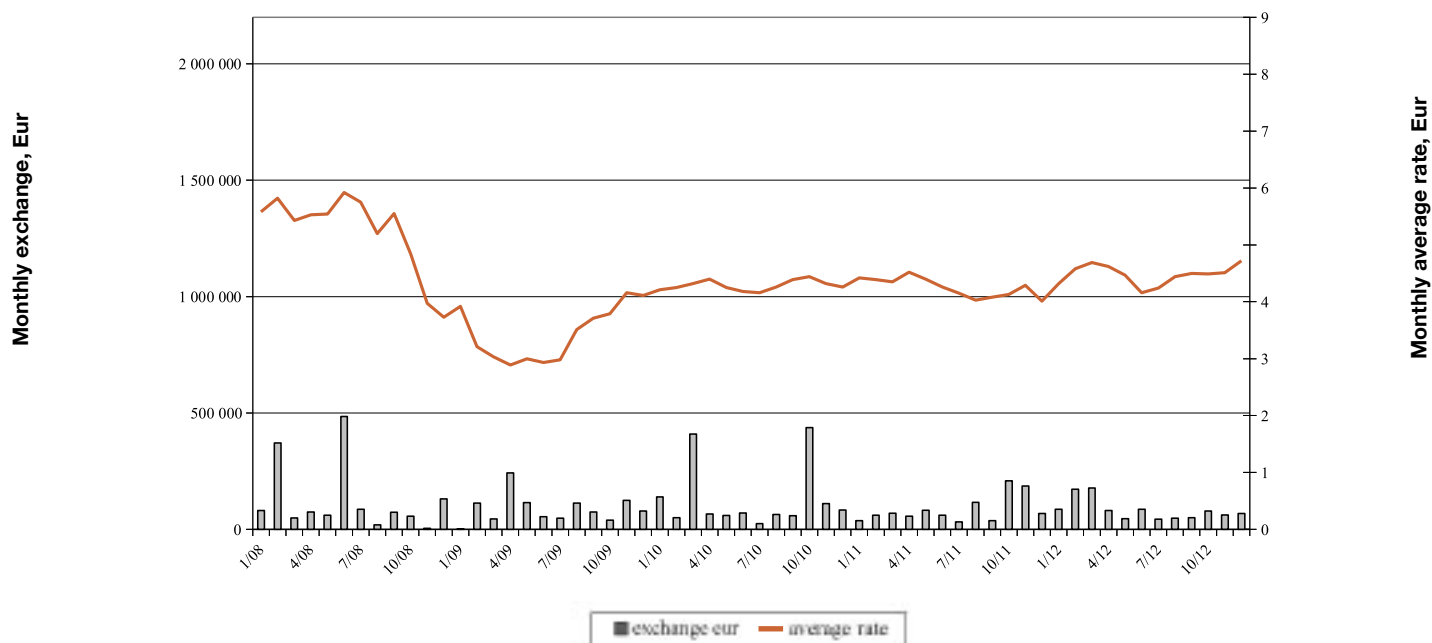
*) proposal by the Board of Directors

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
1/2008 - 12/2012



Share	Share price 31 Dec 2012	Lowest price	Highest price	Trading volume	%-of A-share
A-share	4,75	4,00	4,88	223 141	12,3

Share information

Principal shareholders on December 31st 2012

	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 Henkivakuutusosakeyhtiö	100 000		2,67 %	0,47 %
6. Määttä Mikko	80 000		2,13 %	0,38 %
7. Onninen Sijoitus Oy	75 000		2,00 %	0,36 %
8. Turun kaupungin vahinkorahasto	43 723		1,17 %	0,21 %
9. Halonen Jukka	11 000	26 280	0,99 %	1,30 %
10. Himahamsterit Oy	34 837		0,93 %	0,17 %

At the end of 2012, the members of Elecster's Board of Directors, Managing Director and the corporations in their authority hold a total 50.595 shares.

These shares represent 1,35 percent of the total share capital and 1,36 percent of voting rights.

Structure of share capital on December 31st 2012

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 2012

Breakdown of shareholding

	Number of shares	Number of shareholders	% of shareholders	Shares	% of shares
	1-100	253	28,65 %	14 694	0,39 %
	101-1 000	465	52,66 %	195 903	5,23 %
	1 001-5 000	129	14,61 %	270 459	7,22 %
	5 001-10 000	14	1,59 %	93 175	2,49 %
	10 001-100 000	18	2,04 %	612 860	16,35 %
	100 001-	4	0,45 %	2 555 320	68,18 %
Total		883	100,00 %	3 742 411	99,85 %
Number of shares not entered in the book entry system				5 705	0,15 %
Number issued				3 748 116	100,0 %

According to shareholders

	Number of shareholders	% of shares
Companies	63	60,73 %
Credit and insurance institutions *)	6	6,62 %
General Government	1	1,17 %
Non-profit institutions	3	0,08 %
Households	805	31,06 %
Foreign owners	5	0,19 %
Number of shares not entered in the book entry system		0,15 %
Total	883	100,00 %

*) Also the administratively registered share are included in this figure

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