

ANNUAL REPORT BEIJER ALMA 2015



Beijer Alma AB (publ) is an international, listed industrial Group. Its business concept is to acquire, own and develop companies with strong growth potential. Beijer Alma's subsidiaries – Lesjöfors, Habia Cable and Beijer Tech – specialize in component manufacturing and industrial trading. The growth strategy of the companies encompasses four areas:

- Products and concepts with a high customer value.
- International market coverage.
- High market share.
- Diversified customer and supplier base.



- Sales in about 60 markets.
- 76 percent of sales are conducted outside Sweden.
- The main markets are Scandinavia, other areas of Europe and Asia.
- Strong international positions in chassis springs and cables for nuclear power and mobile telecom.

Lesjöfors

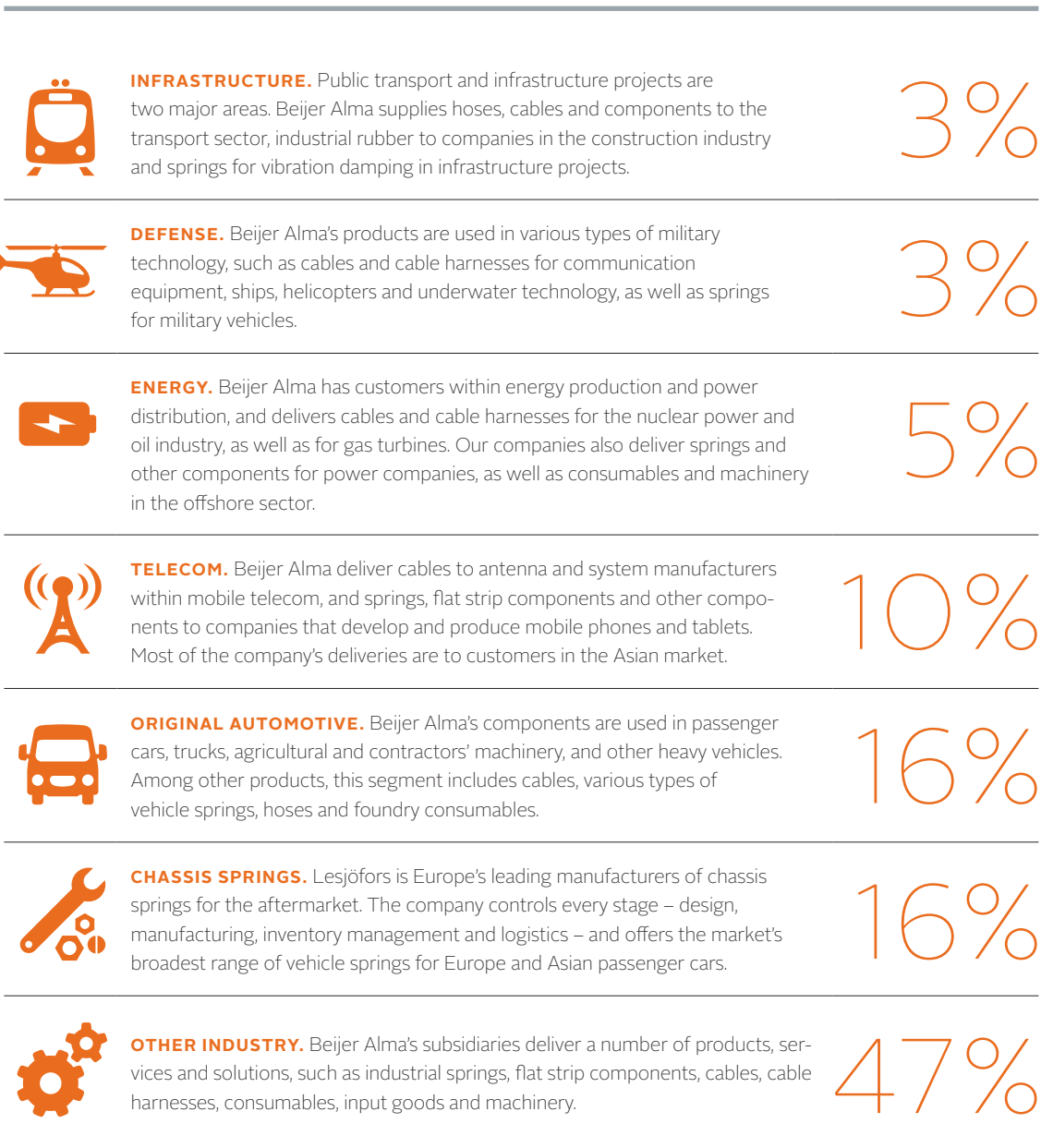
Lesjöfors is an international full-range supplier of springs, wire and flat strip components that offers both standard products and customized components. The company conducts manufacturing operations in Europe, North America and Asia, and has two business areas: Industry and Chassis Springs.

Habia Cable

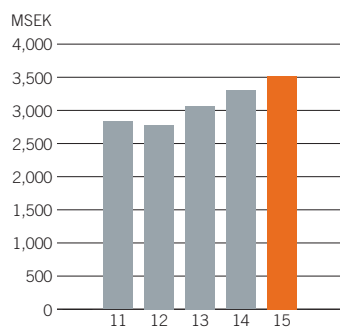
Habia Cable develops, manufactures and sells custom-designed cables and cable systems for demanding applications. The company is one of the largest manufacturers of custom-designed cables in Europe and has two business areas: Telecom and Other Industry.

Beijer Tech

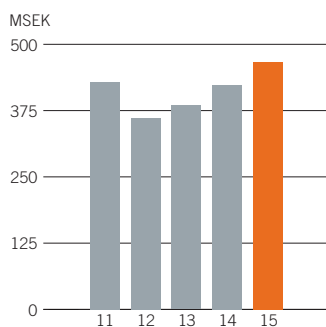
Beijer Tech specializes in industrial trading in the Nordic region and represents several of the world’s leading manufacturers. Its operations are conducted in two business areas: Fluid Technology and Industrial Products.



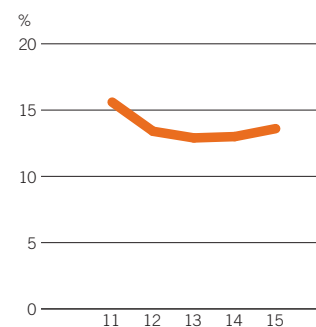
INVOICING



PROFIT AFTER NET FINANCIAL ITEMS



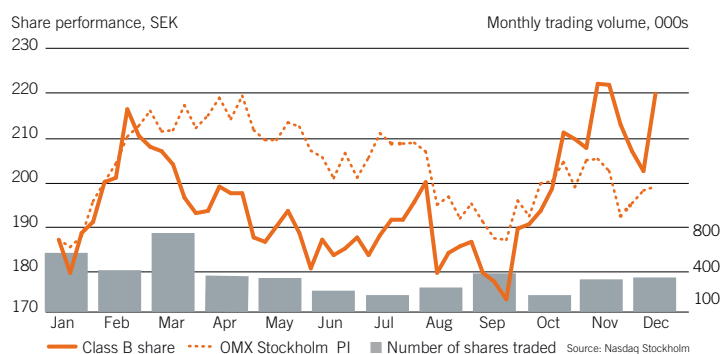
OPERATING MARGIN



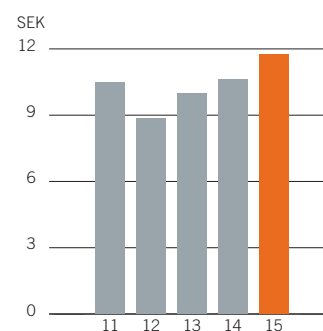
REVENUES AND PROFIT BY OPERATING SEGMENT MSEK

	Q1	Q2	Q3	Q4	Total
<i>Net revenues</i>					
Lesjöfors	537.8	550.7	470.1	437.3	1,995.9
Habia Cable	189.4	171.6	198.2	205.9	765.1
Beijer Tech	188.0	204.9	170.3	197.4	760.6
Parent Company and intra-Group	0.1	0.1	–	0.1	0.3
Total	915.3	927.3	838.6	840.7	3,521.9
<i>Operating profit</i>					
Lesjöfors	99.7	113.1	89.1	86.5	388.4
Habia Cable	20.5	17.8	29.7	31.0	99.0
Beijer Tech	0.7	7.4	6.0	3.4	17.5
Parent Company and intra-Group	–5.4	–9.8	–6.9	–5.5	–27.6
Consolidated operating profit	115.5	128.5	117.9	115.4	477.3
Net financial items	–3.9	–3.3	–2.3	–0.9	–10.4
Profit after net financial items	111.6	125.2	115.6	114.5	466.9

SHARE PERFORMANCE



EARNINGS PER SHARE



11.74

EARNINGS PER SHARE. Earnings per share totaled SEK 11.74 (10.60).

HABIA DISPLAYED GROWTH IN NUCLEAR POWER

GROWTH. Habia's order bookings and invoicing in the nuclear power sector increased significantly.

+8%

ORDER BOOKINGS. Order bookings rose 8 percent to MSEK 3,548 (3,282).

3,522

INVOICING. Invoicing increased 7 percent to MSEK 3,522 (3,289).

9.50

DIVIDEND. The Board of Directors proposed a dividend of SEK 9.50 (8.50).

INCREASED DEMAND IN CHASSIS SPRINGS

DEMAND. Demand for chassis springs increased in several European markets.

467

PROFIT AFTER NET FINANCIAL ITEMS. Profit after net financial items amounted to MSEK 467 (424).

TEN-YEAR SUMMARY

MSEK	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net revenues	3,521.9	3,298.2	3,066.5	2,779.7	2,830.2	2,290.1	1,571.2	1,836.3	1,654.4	1,487.8
Operating profit	477.3	427.5	396.3	372.3	441.4	406.3	238.2	302.4	289.6	268.4
Net financial items	-10.4	-3.9	-11.6	-10.5	-12.7	-7.5	-11.7	-7.4	-6.9	-6.2
Profit after net financial items	466.9	423.6	384.7	361.8	428.7	398.8	226.5	295.0	282.7	262.2
Tax	-113.2	-104.3	-95.7	-93.3	-115.8	-112.3	-64.1	-78.3	-77.2	-72.4
Net profit	353.7	319.3	289.0	286.5	312.9	286.5	162.4	216.7	205.5	189.8
Non-current assets	1,314.2	1,347.0	1,192.5	1,111.6	927.4	820.3	616.6	657.2	607.8	526.8
Current assets	1,555.6	1,396.7	1,355.5	1,283.1	1,273.4	1,155.5	773.6	803.6	741.6	691.6
Shareholders' equity	1,835.3	1,744.8	1,610.9	1,519.5	1,482.9	1,394.5	985.9	959.6	846.7	747.8
Non-current liabilities and provisions	262.3	313.9	299.2	323.5	171.0	140.2	100.0	107.7	68.0	100.9
Current liabilities	768.5	681.3	634.3	549.1	544.2	438.4	301.2	390.2	434.6	369.7
Total assets	2,869.8	2,743.7	2,548.0	2,394.7	2,200.8	1,975.8	1,390.2	1,460.8	1,349.4	1,218.4
Cash flow	251.8	146.0	200.0	130.1	152.0	168.3	215.8	150.1	120.0	121.0
Depreciation and amortization	110.6	98.7	86.7	78.7	76.3	70.7	71.4	68.2	65.3	68.8
Net capital expenditures, excluding corporate acquisitions	135.8	140.0	126.3	70.5	89.2	55.2	60.5	89.1	79.2	71.0
Capital employed	2,281.5	2,125.8	1,957.0	1,815.8	1,729.4	1,541.7	1,122.2	1,139.4	1,044.9	932.1
Net liabilities	194.1	189.8	92.3	56.8	-22.5	-91.2	-59.5	18.4	32.8	-6.8
Key figures, %										
Gross margin	32.8	32.4	32.4	33.7	34.8	37.7	36.4	35.3	37.4	37.9
Operating margin	13.6	13.0	12.9	13.4	15.6	17.7	15.2	16.5	17.5	18.0
Profit margin	13.3	12.8	12.5	13.0	15.1	17.4	14.4	16.1	17.1	17.6
Equity ratio	64	64	63	64	67	71	71	66	63	61
Proportion of risk-bearing capital	66	65	65	66	70	73	73	68	65	64
Net debt/equity ratio	11	11	6	4	-2	-6	-6	2	4	-1
Return on shareholders' equity	20.3	19.7	19.2	17.8	21.8	24.7	17.2	23.5	25.5	25.9
Return on capital employed	21.7	21.3	21.1	21.2	26.4	30.6	21.2	28.3	29.9	30.0
Interest-coverage ratio, multiple	41.8	41.3	28.9	27.5	27.5	43.3	18.7	21.4	23.6	29.6
Average number of employees	2,262	2,124	2,110	1,831	1,687	1,397	1,146	1,220	1,163	980
Earnings per share after tax	11.74	10.60	9.59	8.91	10.38	9.51	5.92	7.90	7.49	6.92
Dividend per share, SEK	9.50	8.50	8.00	7.00	7.00	7.00	5.00	5.00	5.00	4.00



CHAIRMAN'S STATEMENT

The importance of entrepreneurship is emphasized in many contexts and with good reason. Yet intrapreneurship – the act of developing new products and services within an existing operation – is equally, if not more important. Beijer Alma offers several good examples of this.

Free thinking is an important part of innovation. So it is vital that companies create the right conditions for this type of thinking – for example, by encouraging a sense of openness and renewal that goes beyond the company's operating activities. It is equally important to cultivate research partnerships with universities and colleges. A skilled intrapreneur also has a knack for identifying changes in the surrounding world and understanding how these can be used to advance a business.

Beijer Alma offers several examples of entrepreneurial ideas that have achieved commercial success, including Lesjöfors's chassis springs and Habia's telecom cables. Among the Group's most recent successes are Habia's nuclear power cables, sales of which reached record high levels in 2015. Thanks to a consistent focus on product development, we have grown in segments with significant potential. This is a testament to our entrepreneurial approach, which encompasses much more than simply component manufacturing. Beijer Tech is making long-term investments in product range development, as well as growth in new areas that will generate value.

Offering an attractive return has become something of a trademark for us – and we have managed to achieve these returns while also preserving our strong balance sheet. We want to continue rewarding Beijer Alma's shareholders in the future. For 2015, it is proposed that the dividend be raised from SEK 8.50 to SEK 9.50 per share, which would also create the right conditions for new acquisitions and growth initiatives.

Demand in the industrial market remains weak. Yet Beijer Alma achieved record-breaking earnings in 2015. I would therefore like to thank Group management and our other managers and employees for their outstanding efforts in a market situation that is challenging in many ways.



ANDERS WALL, CHAIRMAN OF THE BOARD

CEO'S STATEMENT

2015 was the strongest year to date for the Beijer Alma Group. While growth was weak – and in some cases, negative – in the business areas that are dependent on the industrial economy, this was offset by other non-dependent product segments, such as chassis springs in Lesjöfors and nuclear power cables in Habia Cable.

This development shows the strength of our business model of focusing on well-diversified operations that deliver high customer value. Being an international player in selected areas is also important, since this allows us to grow over time and spread our risks geographically.

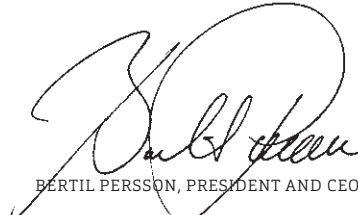
A fantastic example of this is Lesjöfors, which has established strong, international positions in both Chassis Springs and Industry. Within Industry, Lesjöfors has become a global player through acquisitions. In 2015, the company utilized an acquisition to establish a presence in the US market. This expansion will now continue. The strategy is to build strong platforms in Europe, North America and Asia. Habia has also advanced its international positions, particularly with respect to cables used in nuclear power plants, where the company's sales doubled during the year. When it comes to cables for base-station antennas, Habia boosted its competitiveness by relocating all of its manufacturing operations to China. Beijer Tech is impacted by the industrial economy to a greater extent than its fellow subsidiaries. We have not been satisfied with the company's performance in recent years and we therefore we decided to appoint a new management group within Beijer Tech in 2015. The new group has introduced a number of changes that will have a positive impact in the coming years.

I do not expect the industrial economy to improve overnight. To ensure growth and profitability, we must therefore continue to carry out supplementary acquisitions and develop new growth areas. As in the past, we will base this work on our highly effective business model. As our operations expand, they must maintain a high level of quality and remain driven by profitable growth. To achieve this goal, we must base our work on the criteria we know will contribute to long-term value creation.

- High customer value.
- International growth potential.
- Strong market positions in selected niches.
- Diversified customer and supplier base.

Lesjöfors's operations meet essentially all of these criteria. Habia's business areas have also performed well under these guidelines. However, the company is highly dependent on a small number of customers in the telecom segment – a trend that we have worked to change in recent years. Beijer Tech's Fluid Technology business area has also been relatively successful in meeting our growth criteria. Unfortunately, the same cannot be said for Industrial Products. In many cases, the company has been unable to generate sufficient value for its customers. Beijer Tech's new management team must now work to ensure that the entire company meets our criteria for value creation.

For many years, our favorable profitability and positive cash flows have given us the capacity to grow, while at the same time generating a high dividend for our shareholders. While the global business climate will undoubtedly remain challenging, our long-term business model – and our disciplined approach – will give us the right prerequisites to continue performing well.



BERTIL PERSSON, PRESIDENT AND CEO



STRATEGY

ENSURE PROFITABLE GROWTH

Long-term ownership

We take a long-term approach and create industrially sound corporate groups that generate high growth and profitability over time.

Corporate social responsibility

We limit our impact on the environment, assume social responsibility, and offer a secure and stimulating work environment for our employees.

Operational control

We work closely with our Group companies when it comes to setting goals and exercising control, mainly with respect to strategic development, acquisitions and investments.

High customer value

Products and services are adapted to meet specific customer needs or are based on unique product concepts. This creates higher value, for which customers are prepared to pay and which contributes to our profitability.

International market coverage

We focus on niche products manufactured in small series. To create growth, the companies must therefore engage in broad international sales.

Strong market positions

We establish strong market positions by focusing on quality, a broad product range, customization and service.

Diversified customer and supplier base

The Group companies aim to have a broad customer and supplier base. This reduces their risk exposure and dependency on individual markets, industries or customers.

Organic growth

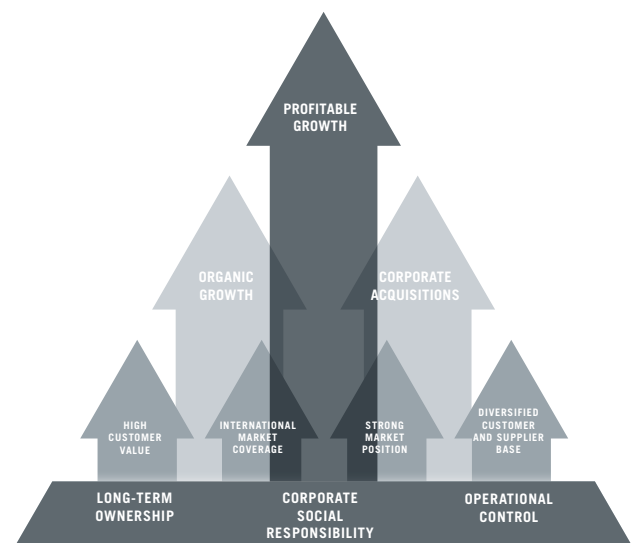
We grow organically through investments in product and market development. This results in higher quality and lower risk.

Corporate acquisitions

We conduct supplementary acquisitions and purchase new operations. This strengthens our position in selected markets and specific product areas or provides Beijer Alma with a broader foundation.

Profitable growth

To meet our requirements, growth must be linked to sustainable profitability. We achieve this by focusing on the growth criteria in the strategy pyramid.



The strategy pyramid describes our efforts to grow profitably. It is based on long-term ownership, responsibility and efficient governance, in addition to four growth criteria combined with corporate acquisitions and organic development.

HIGH CUSTOMER VALUE

THE ART OF DELIVERING GREATER SUBSTANCE

High customer value is a key concept in our strategy pyramid. The term refers to products and services that generate added value or offer greater substance for our customers – something for which they are also prepared to pay. By offering this type of value, we can charge more for the products and services we deliver, thereby helping to boost profitability in the Group.

Customized components – meeting unique requirements

Offering greater substance may involve developing a unique component that meets a particular customer requirement, with added value created as a result of the product's ingenious design solution, high technical performance or extended service life. Every year, Lesjöfors and Habia produce a large number of custom-manufactured springs, cables and other components that offer such added customer value.

Product concept – unique manufacturing and inventory management

Customer value is also created through proprietary customer concepts. Examples of this include Lesjöfors's chassis springs and standard range of industrial springs, as well as Habia's telecom cables. These concepts are based on proprietary manufacturing of standardized products developed to meet broader customer needs or specific industry requirements. Customer value is generated based on our ability to offer high quality, a broad product range, efficient inventory management and delivery precision.

Distribution concept – focus on product expertise and delivery performance

High customer value can also be created by packaging and distributing products from external suppliers. One such example is Beijer Tech's Group company Lundgrens, which has developed distribution concepts in the areas of fluid technology and industrial rubber. In this case, customer value is generated thanks to the product expertise, broad product range and delivery performance offered by Lundgrens.

65%

Customized products account for about 65 percent of Lesjöfors and Habia's manufacturing volume. These are unique products that are sold to only one customer and must often meet rigorous technical requirements.

25,000

The product range in Beijer Tech's Fluid Technology business area encompasses some 25,000 items. Superior product expertise and the ability to package and distribute products efficiently create value for customers.

24h

Lesjöfors both stocks and manufactures chassis springs. The company controls every stage – from design and manufacturing to inventory management, logistics and service – and offers the market's broadest range of quality-assured vehicle springs, with delivery within 24 hours.

OPERATIONAL CONTROL

IDENTIFYING AND INFLUENCING TRENDS

Decentralized responsibility

Beijer Alma generally does not participate in the operational management of its subsidiaries. The companies take responsibility for daily operations, products, marketing and sales.

Subsidiaries with complete management functions

Beijer Alma's subsidiaries have the organizations and know-how needed to ensure their international competitiveness. There are no joint functions shared between the subsidiaries or between the subsidiaries and the Parent Company.

Management and follow-up

The operations are evaluated on a monthly basis. Key figures are followed up and assessments are performed in such areas as market development, competitors and acquisition projects. By measuring the same parameters, an accurate picture of the long-term trend can be obtained. Negative deviations are linked to action plans, which are continuously adjusted. Order bookings/invoicing is monitored on a weekly basis so that costs and staffing can be adapted.

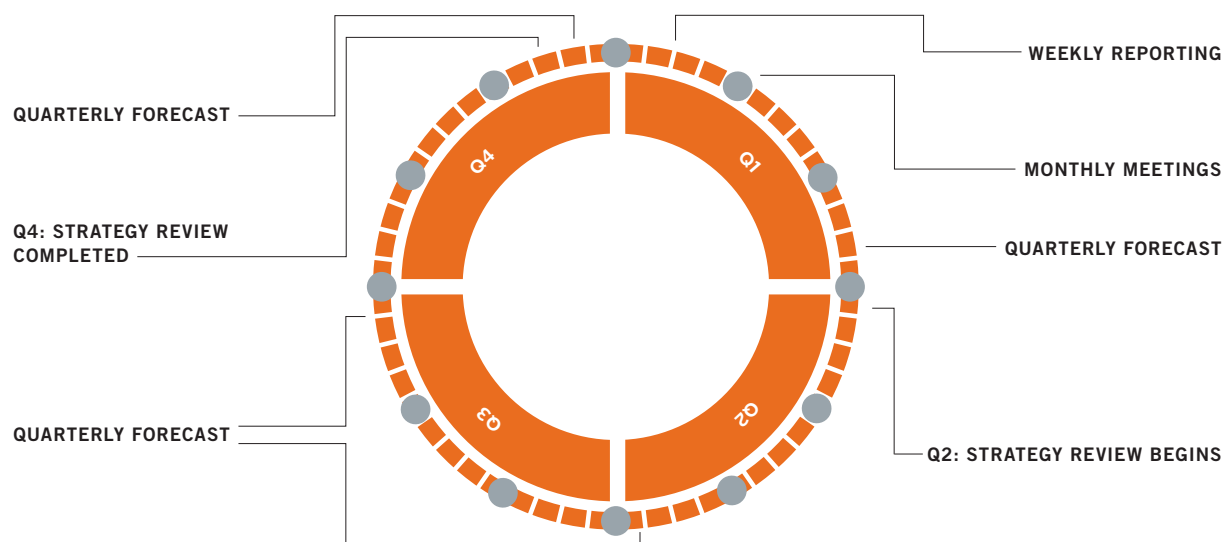
Strategic planning

Beijer Alma manages the strategy process and contributes analyses. The companies set objectives and guidelines. This annual process focuses on customer value, market potential, competition and development opportunities. Three to five-year action plans are developed, and internal competence and resource requirements are identified. Budgets have been replaced with quarterly forecasts. The companies are evaluated compared with their historical performance and strategic plans. This gives an optimal overview of the business situation and outcome for the year at any given time.

Central responsibility for the capital structure

Beijer Alma is responsible for the Group's financing and decides on the capital structures of the subsidiaries, which are measured on the basis of their operating profit before net financial items. This allows the subsidiary management teams to focus on operational issues and removes the matter of return on financial items from the agenda.

» READ MORE ABOUT CORPORATE GOVERNANCE ON PAGES 38–40.



RISK MANAGEMENT

FOCUS ON OPERATIONAL RISKS

Operational risks are linked to the Group's operating activities and can have a negative impact on income and expenses. Examples of such risks include customer and supplier dependency, technological shifts and product quality. Our risk management activities are intended to limit the risks to sensitive areas. Expanding our sales to include other areas is equally important in our efforts to reduce our vulnerability.

Customer and supplier risk – broader base

Risk: Being dependent on a small number of customers or suppliers creates risks. If such partnerships were to be terminated, sales could be adversely impacted.

Strategy: Beijer Alma aims to broaden the customer and supplier base in its more vulnerable business areas, such as Habia's telecom operations, Lesjöfors's chassis springs operations and certain areas of Beijer Tech. Expanding our operations to include other customer segments and business areas is equally important in our efforts to reduce our vulnerability.

Risk management in practice: Habia has increased the number of telecom customers in such areas as Asia. In parallel, investments are being made to increase sales in the offshore, nuclear power and industrial sectors. To balance the risks associated with the Chassis Springs business area, Lesjöfors is further developing the operations of the Industry business area, partly through global acquisitions.

Technology risk – focus on mature sectors

Risk: If customers were to switch to a new technology, this could impact sales. The risk is greater in high-tech sectors where technology is phased out at a quicker rate.

Strategy: Beijer Alma focuses on mature sectors that are generally not subject to rapid technological shifts. Most of the Group's components have a long life cycle. This reduces the risk of unexpected changes. The telecom sector is exposed to a higher technology risk. Accordingly, the Group devotes greater resources to monitoring technological trends in this area and rapidly adapting its proprietary products.

Risk management in practice: Lesjöfors's chassis springs are used in vehicles that are normally five years old or older. This provides control since sales can be adapted to the models gradually being phased into the spare parts markets. Habia's customers in the defense, industrial, nuclear power and offshore sectors also have long product cycles, which limits the company's technology risk. This risk is also managed by broadening the Group's sales to include more growth areas.

Product risk – control and expertise ensure quality

Risk: Products and components must meet customer requirements for high performance and quality. Shortcomings can impact sales and earnings, and even result in claims for compensation. This applies in particular to components for demanding applications in the defense, telecom and energy sectors, and not least to the nuclear power industry.

Strategy: Beijer Alma aims to control a large part of the value chain, from design and development to production, logistics and service. This ensures high quality at every stage and limits the Group's product risk.

Risk management in practice: Lesjöfors's expertise encompasses everything from spring materials and metals to mechanics, strength of materials and production engineering. Habia is highly skilled in the development of conductors, insulation and external materials for custom-designed cables. Both companies have comprehensive quality management systems in place and are certified in accordance with several industry-specific quality standards.

» READ MORE ABOUT RISK MANAGEMENT ON PAGES 66–68.

CORPORATE SOCIAL RESPONSIBILITY

PEOPLE, SOCIETY, THE ENVIRONMENT AND ETHICS

Focus on key issues

We aim to operate in areas where we contribute to sustainable development and meet the demands and expectations of our stakeholders. Our sustainability work focuses on the following areas:

- Applying sound business principles and high ethical standards.
- Creating a safe, positive and stimulating work environment.
- Increasing our energy efficiency and reducing our climate impact, waste and other effects on the environment.
- Approaching our operations from a life cycle perspective – raw materials, suppliers, products, services and customers.
- Involvement in the communities in which Beijer Alma operates.

Code of Conduct – guiding principles

The Code of Conduct stipulates that we respect human rights, take a preventive approach to environmental and work environment issues, practice good business ethics and are honest in our communications. In 2015, the Code was updated to include a “whistleblower” system, where employees can anonymously report suspected improprieties.

Global Compact

In 2015, Beijer Alma joined the Global Compact – a UN initiative to encourage corporate social responsibility (CSR). This means that we adhere to ten fundamental principles regarding human rights, labor conditions, environmental considerations and anti-corruption measures.

Stakeholder interaction

Our sustainability work is influenced by various stakeholders. These stakeholders have opinions and expectations regarding our operations. Addressing these demands is a crucial part of our strategy for sustainable development. We interact with various stakeholders in the course of this work, including customers, suppliers, authorities, society, our owners and investors.

Sustainable development objectives

In 2013, we introduced Group-wide objectives for sustainable development. These objectives have gradually become more ambitious. All units are able to establish their own objectives and add additional areas. The Group objectives are connected to the UN global development goals presented in 2015 and Sweden’s environmental quality objectives.

2013

- Beijer Alma’s Code of Conduct introduced throughout the Group.
- Long-term sustainable development strategy and Group-wide objectives established.
- Group-wide sustainability and climate impact reporting in accordance with the Carbon Disclosure Project (CDP).

2014

- Detailed Group-wide energy, climate, waste, work environment and social commitment objectives set.
- Expanded sustainability reporting on website. Continued CDP reporting.
- Continued implementation of ISO 14001 at manufacturing facilities.
- Sustainability issues incorporated into strategic planning.

2015

- Joins the UN Global Compact. Assessment of how Group sustainability objectives relate to new UN global sustainable development goals.
- Continued work on Group energy, climate, waste, work environment and social objectives.
- Expanded sustainability reporting and continued CDP reporting.

KEY PERFORMANCE INDICATORS (KPI)	2015	2014	2013	2012	2011
Average number of employees	2,262	2,124	2,110	1,831	1,687
Percentage salaried employees (%)	32	31	31	32	33
Percentage production staff (%)	68	69	69	68	67
Percentage women (%)	33	33	35	34	32
Percentage employed in low-cost countries (%)	33	30	30	30	28
Short-term sickness absence (%)	2.5	2.4	1.9	2.1	2.1
Long-term sickness absence (%)	2.1	1.0	0.9	0.9	1.2
Percentage employed in Sweden (%)	31	33	33	36	40

	Lesjöfors	Habia Cable	Beijer Tech
Energy consumption, GWh (GWh/MSEK in net revenues)	39.6 (0.02)	11.7 (0.02)	3.1 (0.004)
Water consumption, m ³ (m ³ /MSEK in net revenues)	23,500 (11.8)	16,600 (21.7)	2,420 (3.2)
CO ₂ emissions, tons (tons/MSEK in net revenues)	9,709 (4.9)	4,431 (5.8)	140 (0.02)
VOC emissions, tons (tons/MSEK in net revenues)	3.4 (0.002)	3.2 (0.004)	0 (0.0)
Waste, tons (tons/MSEK)	2,042 (1.0)	670 (0.9)	160 (0.2)
ISO 14001, number of certified units	15	2	2
Workplace accidents, number of cases resulting in absence (cases per employee)	31 (0.02)	10 (0.02)	2 (0.01)
Workplace accidents, number of lost working days (days per employee)	373 (0.3)	37 (0.06)	18 (0.08)

SUSTAINABLE DEVELOPMENT OBJECTIVES

PROGRESS**

By year-end 2018, energy consumption is to be reduced by 10 percent (GWh/MSEK in net revenues).*	● Acquisition of new operations resulted in higher energy consumption. Energy tracking and introduction of new technology increased energy efficiency at several units. Positive development of KPI.
By year-end 2018, CO ₂ emissions are to be reduced by 10 percent (tons/net revenues).*	● Acquisition of new operations resulted in higher emissions. Energy-efficiency enhancements, the use of biofuel, environmental adaptation of vehicles and transport, and the purchase of green electricity had a positive impact on the Group's KPI.
By year-end 2018, the amount of waste generated by the Group is to be reduced by 10 percent (tons/net revenues).*	● Acquisition of new operations resulted in increased waste. A reduction in scrapping, better sorting at source and expanded recycling had a positive impact on the Group's KPI.
We have a vision of zero tolerance when it comes to workplace accidents and aim to reduce our accident frequency rate. A system for registering near misses related to the work environment was to be introduced in 2015.	● The number of accidents and lost working days increased. The system for reporting near misses was expanded during the year, but has not yet been introduced at some units.
Certified management systems are to be established at all production units and other units where an environmental management system is relevant.	● One unit in Poland received environmental certification during the year. Five units plan to achieve certification within six to 18 months.
From 2015 to 2018, we will increase our social commitment.	● Cooperation with schools and universities, and social commitment in the form of financial support for education, non-profit organizations, sports activities, healthcare and cultural events.

* The average figures for 2012–2013 serve as the baseline. ** Refer to the Group's Sustainability Report for more details.
● Objective achieved. ● Positive trend, good potential to achieve objective. ● Negative trend, additional measures required.

2016

- Updated Code of Conduct.
- Continued focus on energy issues and the EU energy efficiency directive.
- Interim assessment of sustainability strategy and objectives.
- Sustainability and CDP reporting expanded.
- Reporting under Global Compact.
- Continued implementation of ISO 14001. Adaptation to ISO 14001:2015 begins.

2017

- Adaptation to ISO 14001:2015 continues and is to be concluded by 2018.
- Continued focus on Group energy, climate, waste and work environment objectives.
- Community involvement activities in Sweden and abroad.
- Sustainability, CDP and UN reporting.

2018

- Adaptation to ISO 14001:2015 concluded.
- Assessment of the sustainability strategy and 2014–2018 objectives.
- New Group-wide sustainable development objectives presented.
- Continued sustainability, CDP and UN reporting.

THE SHARE

6,614

At year-end 2015, Beijer Alma had a market capitalization of MSEK 6,614. In 2005, the Group's market capitalization was MSEK 1,998.

4,239,415

A total of 4,239,415 shares were traded during the year, corresponding to 15.8 percent of the outstanding Class B shares. An average of 16,890 shares were traded each trading day.

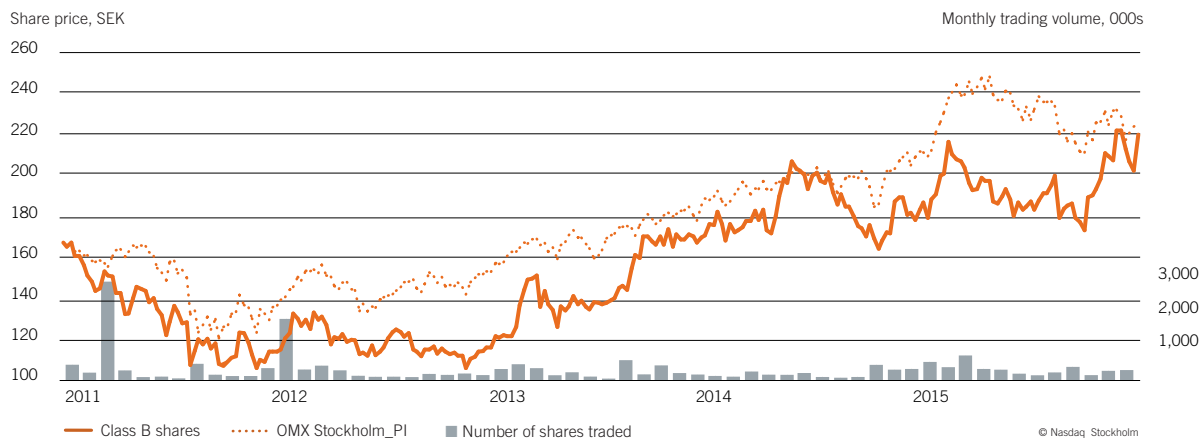
219.50

In 2015, the market price of the Beijer Alma share rose 20 percent. The Stockholm All Share Index increased 7 percent. The closing price at year-end was SEK 219.50 (182.50). The highest price was SEK 230.50, which was quoted on December 3. The lowest price was SEK 168.00, which was quoted on September 29.

ANALYSTS

Danske Bank, Max Frydén
Carnegie Investment Bank AB, Robert Redin
Erik Penser Bankaktiebolag, Johan Widmark
SEB, Johan Dahl
Nordea, Henrik P. Nilsson

SHARE PERFORMANCE



PER-SHARE DATA	2015	2014	2013	2012	2011
Earnings per share after 22.0% standard tax rate, SEK	12.09	10.96	9.96	8.85	10.49
After tax, SEK	11.74	10.60	9.59	8.91	10.38
Shareholders' equity per share, SEK	60.91	57.91	53.46	50.43	49.22
Dividend per share, SEK	9.50¹⁾	8.50	8.00	7.00	7.00
Dividend ratio, %	81	80	83	79	67
Dividend yield, %	4.3	4.7	4.5	6.0	6.1
Market price at year-end, SEK	219.50	182.50	177.00	116.00	114.00
Highest market price, SEK	230.50	210.50	184.50	138.25	173.50
Lowest market price, SEK	168.00	158.50	116.00	105.75	93.50
P/E ratio at year-end	18.7	17.2	18.5	13.0	11.0
Cash flow per share after capital expenditures	8.36	4.85	6.64	4.32	5.04
Closing number of shares outstanding	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100
Average number of shares outstanding	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100

1. Dividend proposed by the Board of Directors

LARGEST SHAREHOLDERS	Number of shares	of which, Class A	of which, Class B	Number of votes	% of share capital
Anders Wall Foundation	4,069,470	774,200	3,295,270	11,037,270	13.5
Anders Wall with family and companies	3,513,120	1,921,600	1,591,520	20,807,520	11.7
SEB Fonder	2,231,641	0	2,231,641	2,231,641	7.4
Lannebo Fonder	2,142,674	0	2,142,674	2,142,674	7.1
Didner & Gerge Fonder Aktiebolag	1,857,068	0	1,857,068	1,857,068	6.2
Swedbank Robur Fonder	1,452,282	0	1,452,282	1,452,282	4.8
Fourth Swedish Pension Insurance Fund	894,299	0	894,299	894,299	3.0
Nordea Investment Funds	688,681	0	688,681	688,681	2.3
DnB – Carlson Fonder	538,376	0	538,376	538,376	1.8
Göran W Hultgren with family and companies	479,061	306,633	172,428	3,238,758	1.6
Svolder AB	443,974	0	443,974	443,974	1.5
Skandia Fonder	406,979	0	406,979	406,979	1.4
Fondita Nordic Micro Cap SR	380,000	0	380,000	380,000	1.3
Fidelit Funds – Nordic Funds	322,690	0	322,690	322,690	1.1
Other shareholders	10,710,785	327,567	10,383,218	13,658,888	35.5
Total	30,131,100	3,325,000	26,806,100	60,101,100	100.0

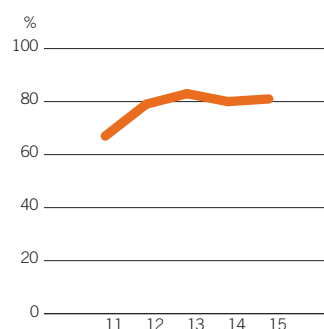
Shareholders' register, December 31, 2015, including known changes

8,443

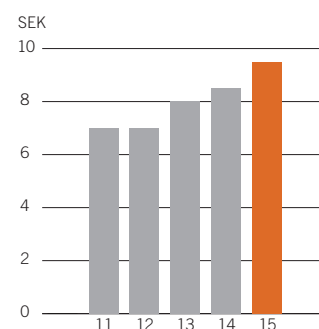
At year-end 2015, Beijer Alma had 8,443 shareholders. This means that the number of shareholders has nearly tripled in ten years. In 2005, the Group had 2,900 shareholders. Of the total number of shareholders, institutional owners accounted for 65.0 percent of capital and 44.2 percent of votes. The holdings of foreign shareholders accounted for 12.6 percent of capital and 6.3 percent of votes.

Beijer Alma's dividend policy stipulates that the dividend is to amount to not less than one-third of the Group's net profit, excluding items affecting comparability, although consideration is always to be given to the Group's long-term financing needs.

DIVIDEND RATIO



DIVIDEND



LESJÖFORS

Lesjöfors specializes springs, wire and flat strip components. The company is an international, full-range supplier that offers both standard products and a broad range of customized components. Lesjöfors holds a leading position in the Nordic region and is one of the largest spring companies in Europe. The President of the company is Kjell-Arne Lindbäck, born in 1952, Degree in Business Administration, employee since 1997.



INFRASTRUCTURE. Springs for vibration damping in infrastructure projects, as well as trains and other forms of public transport.



DEFENSE. Delivery of springs for military vehicles and other applications.



ENERGY. Especially developed compression springs for the offshore industry and customized products for power companies.



TELECOM. Springs, decorative panels and other mechanics for companies that manufacture mobile phones and tablets.



ORIGINAL AUTOMOTIVE. Spring components for manufacturers of new passenger cars and heavy vehicles.



CHASSIS SPRINGS. Lesjöfors is Europe's leading manufacturer of chassis springs for the aftermarket. The company controls every stage – design, manufacturing, inventory management and logistics – and offers the broadest range in the market.



OTHER INDUSTRY. Lesjöfors's largest segment, with deliveries of industrial springs, wire and flat strip components for a number of applications and technical solutions. Many components are specially manufactured to meet unique customer needs.

1,996

Invoicing amounted to MSEK 1,996 (1,726).

19.5

The operating margin was 19.5 percent (18.5).

388

Operating profit totaled MSEK 388 (320).

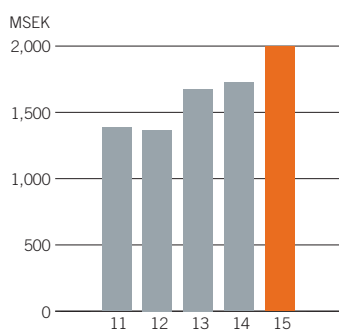
WEAKER TREND

Weaker trend in Industry. Demand was impacted by the continued weak industrial economy in several markets.

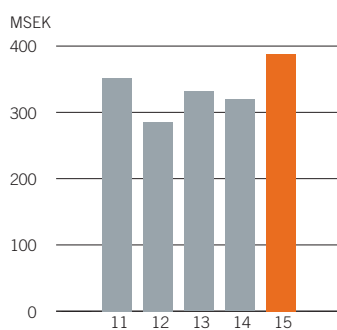
HIGHER DEMAND

Increased volumes in Chassis Springs, with an improved market position. Most significant increase in demand in the UK market, while volumes also increased in Scandinavia and Russia.

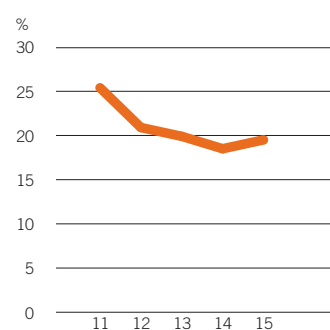
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK

	2015	2014	2013	2012	2011
Net revenues	1,995.9	1,725.7	1,676.3	1,366.7	1,386.0
Cost of goods sold	-1,316.6	-1,141.8	-1,093.9	-857.2	-821.1
Gross profit	679.3	583.9	582.4	509.5	564.9
Selling expenses	-147.8	-134.7	-130.4	-122.1	-121.0
Administrative expenses	-143.1	-129.6	-120.3	-102.0	-91.8
Operating profit	388.4	319.6	331.7	285.4	352.1
Operating margin, %	19.5	18.5	19.8	20.9	25.4
Net financial items	-6.7	0.9	-4.4	-2.3	-3.9
Profit after net financial items	381.7	320.5	327.3	283.1	348.2
of which, depreciation and amortization	77.2	68.4	59.0	49.8	49.4
Capital expenditures, excluding corporate acquisitions	66.3	104.0	106.2	58.7	59.5
Return on capital employed, %	31	28	39	36	43
Average number of employees	1,468	1,343	1,386	1,157	1,014



About Lesjöfors – a full-service supplier

Lesjöfors is a technical service company with a comprehensive offering of springs, wire and flat strip components. The company holds a leading position in the Nordic region and is one of the largest spring companies in Europe. Its operations are organized into two business areas: Industry and Chassis Springs. Industry offers a broad range of products and manufactures components to meet a wide variety of customer needs. Chassis Springs specializes in vehicle springs for the aftermarket and offers a more standardized product range. Lesjöfors conducts manufacturing operations at 21 production units in ten countries. Two of these plants specialize in chassis spring manufacturing. Lesjöfors also has low-cost production operations in Latvia, Slovakia, China and Mexico, which account for 14 percent of its manufacturing volume.

The company is highly decentralized. Expertise and resources in manufacturing and product development are concentrated to the individual production unit. Each unit also has its own sales organization, which creates a close business connection with the customer. At the same time, sales and product development are also coordinated, allowing expertise and experiences to be shared throughout the organization.

DISTRIBUTION BY BUSINESS AREA

Chassis Springs 28%

Industry 72%



INVOICING BY GEOGRAPHIC MARKET

Sweden 13%
Other EU 62%
Other Europe 9%
Asia 6%
North America 9%
Rest of the world 1%



Market and sales – technical sales

Lesjöfors meets its customers' full requirements for springs, wire and flat strip components. Its products are sold to customers in more industrial sectors and cover approximately 60 markets. The offering is divided into two areas:

- Proprietary, in-stock concepts.
- Customized components.

Proprietary, in-stock concepts are predominant within the Chassis Springs business area, but also include a broad range of standard springs in the Industry business area. Customized components are developed to meet unique customer needs and completely dominate the Industry business area. Customized components account for about

two-thirds of all sales and proprietary concepts for the remainder.

Lesjöfors's main competitive advantages within Industry are its spring expertise and problem-solving ability, which provide the company with a unique position. The company's sales personnel and designers work closely on customer projects to develop the right products. Within the Chassis Springs business area, Lesjöfors competes on the strength of its broad product range, high service level and efficient logistics.



During 2015, the company continued to integrate its US operations. Lesjöfors Springs America holds unique expertise in the area of motor springs, which have now become part of the Group's offering. At the same time, the company is continuing its marketing efforts in the US, where Lesjöfors is planning an expansion within both Industry and Chassis Springs. The company has increased its investments in the Slovakian low-cost manufacturer Centrum B. Demand for low-cost production is increasing among companies in the industrial spring market. The investments being made will more than double Centrum B's capacity.

Product and quality development – broad product range and delivery precision

Product development in Chassis Springs focuses on expanding the range through the development of springs for new car models. Some 500 new products are added to this range each year. Within Industry, product development starts with the technical demands imposed by the customer. The right solution is then developed, creating an end product that takes into account design, material selection, dimensioning, manufacturing technique and several other dimensions. Each plant has its own product developers, a total of about 40 in the company as a whole. Together, they develop more than 2,000 new items each year.

500

Product development in Chassis Springs focuses on expanding the range through the development of springs for new car models. Some 500 new products are added each year.

DISTRIBUTION OF SALES

Proprietary standard products 33%

Customized products 67%



Other competitive advantages include:

- High level of expertise in technology/materials.
- Cost-effective manufacturing.
- Efficient customer service.
- Excellent product quality.

Nearly all sales are conducted by Lesjöfors itself. Web portals are the core of the company's marketing communications. New portals were launched in several markets in 2015. Within Industry, the company also strengthened its sales operations through the addition of sales personnel, who will focus on the Group's entire product range, as well as on new customer groups.

Facts about Lesjöfors's sales

- Cover 60 markets. The largest countries are Germany, Sweden, the UK and China.
- The customer portfolio includes about 13,000 customers.
- 82 percent of sales are conducted outside Sweden.
- The company's share of the Nordic market for industrial springs is just over 40 percent.
- Its share of the European market for chassis springs is approximately 45 percent.

Customer value – broad range, expertise and availability

The companies in the Beijer Alma Group offer products and services with high added value that customers are willing to pay for, which contributes to the Group's profitability. Among other advantages, the customer value created by Lesjöfors is connected with the following:

Technical expertise. Lesjöfors uses its expertise and innovability to develop a number of ingenious, customized components for its customers. The company's expertise includes everything from design and material selection to design solutions and cost-efficient manufacturing.

Broad product range. Lesjöfors's Chassis Springs business area has the market's broadest range of proprietary vehicle springs. The range is expanded to include some 500 new products each year. The Industry business area also offers a broad range of standard springs.

Availability. One-day delivery of chassis springs and vehicle springs across Europe via the company's distribution centers in Sweden, Germany, the UK and Russia. The company has maintained a delivery precision rate of nearly 99 percent for many years.

The manufacturing units are assessed based on quality parameters, such as delivery service and product quality. Quality measurements, assessments and improvement measures are integrated into the daily operations. All plants have been awarded ISO 9001 quality certification. Many are also certified in accordance with industry-specific quality standards. In Chassis Springs, delivery precision is an important quality parameter. The business area has maintained an average delivery precision of 99 percent for several years in a row. Despite a sharp increase in demand in 2015, the company's delivery precision rate remained at 99 percent. This helped Lesjöfors to strengthen its market position during the year.

Employees

The number of employees increased by 125 to 1,468 (1,343). A total of 461 employees (393) worked in the low-cost countries of Latvia, Slovakia, China and Mexico, and 324 employees (317) worked in Sweden. Lesjöfors had 184 employees (181) in the UK, 367 (355) in Germany and 53 (52) in Denmark.

99%

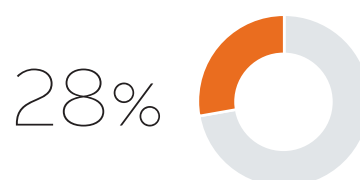
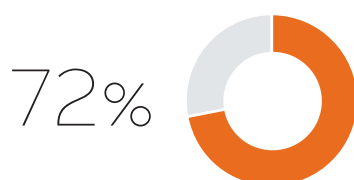
Lesjöfors delivers chassis springs across Europe within 24 hours. The company has maintained a delivery precision rate of 99 percent for many years.

KEY FIGURES	2015	2014	2013	2012	2011
Average number of employees	1,468	1,343	1,386	1,157	1,014
of whom, salaried employees	330	332	307	265	247
of whom, collective-agreement employees	1,138	1,011	1,079	892	767
of whom, men	984	899	909	767	683
of whom, women	484	444	477	390	331
of whom, in high-cost countries	1,007	950	952	800	729
of whom, in low-cost countries	461	393	434	357	285
Number of employees at year-end	1,523	1,384	1,411	1,264	1,013
Sickness absence, %	4.0	3.1	2.9	2.9	2.6
of which, short-term absence	2.1	1.8	1.8	2.0	1.6
of which, long-term absence	1.9	1.3	1.1	0.9	1.0

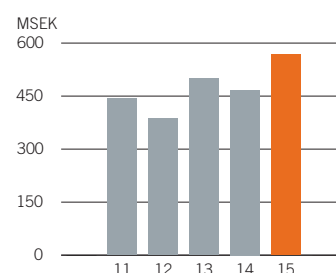
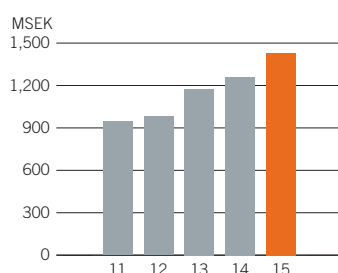
Business areas

	INDUSTRY	CHASSIS SPRINGS
PERFORMANCE IN 2015	<ul style="list-style-type: none"> Weak demand in most markets in Europe. Zero market growth. Customers increasingly demanding low-cost manufacturing capacity. Sales totaled MSEK 1,429 (1,259). 	<ul style="list-style-type: none"> Increased demand. All regions displayed growth. The largest increase was noted in the UK and Scandinavia. Lesjöfors strengthened its market position in Europe during the year. Sales totaled MSEK 567 (500).
MARKET TRENDS/ DRIVING FORCES	<ul style="list-style-type: none"> Mature market. Demand tracks the industrial economic trend. Customers are relocating their manufacturing operations from old core markets to low-cost countries. Increasing demand for companies with a local presence. Suppliers are expected to have manufacturing operations near their customers. A fragmented market with many small, local companies. 	<ul style="list-style-type: none"> The market for chassis springs has displayed a high growth rate for many years. The deregulation of the spare parts market has created opportunities for non-genuine parts, which are often sold at a lower price than genuine spare parts. Competition is intensifying, resulting in price pressure. Demand is impacted by weather. Cold winters increase the need for vehicle maintenance and demand for chassis springs. The result is the opposite during mild winters.
CUSTOMERS	<ul style="list-style-type: none"> Companies in most industrial sectors, including the telecom, electrical goods, engineering and transportation sectors, as well as the power, electronics, automotive and medical engineering industries. Lesjöfors also delivers components to the agricultural sector. Major customers include ABB, Continental and Bosch. 	<ul style="list-style-type: none"> European distributors of automotive spare parts, including Mekonomen, Stahlgruber and Ferraris.
COMPETITORS	<ul style="list-style-type: none"> Hundreds of players in both the European and US market, mainly small and medium-sized companies with local sales. The largest competitors in the Nordic region are Spinova, Ewes, Meconet and Hagens Fjedere. 	<ul style="list-style-type: none"> Specialized spring wholesalers and shock absorber manufacturers, such as Suplex, K+F and Kayaba.
MARKET POSITION	<ul style="list-style-type: none"> Lesjöfors's key markets are the Nordic region, Germany, the UK, China and North America, which account for about 75 percent of sales. The company is one few international players that regularly conducts acquisitions and contributes to the consolidation of the market. The company has a market share of about 40 percent in the Nordic region, 5 percent in Germany and 10 percent in the UK. 	<ul style="list-style-type: none"> Lesjöfors's largest markets are the UK, Germany, Scandinavia and Russia, which account for about 80 percent of sales. In Russia, Lesjöfors is the only foreign company with its own local chassis springs operations. The company's share of the European market is estimated at more than 45 percent.

SHARE OF THE COMPANY'S INVOICING



INVOICING BY BUSINESS AREA



News at a glance



SIGHTS SET ON THE SUN

Lesjöfors has developed the fuel pipes for a satellite designed to collect data about the sun. The thin, helical pipes supply the steering rockets with fuel. The Solar Orbiter Project is a collaborative venture between the European Space Agency (ESA) and the US National Aeronautics and Space Administration (NASA).

“This was an unusual and demanding development project, but also an exciting technical challenge,” says Göran Andersen, Project Manager at Lesjöfors Stockholm Fjäder. “The walls of the pipes are very thin, so the production required a great deal of know-how combined with small tolerances without the slightest room for deviations. A perfect mission for Lesjöfors.”

The satellite will be launched in 2018 and will complete two orbits around the sun in two years. The steering rockets, which Lesjöfors's components supply with fuel, serve a crucial function in positioning the satellite in the desired location.

SMART SUSPENSION FOR SUSTAINABLE TECHNOLOGY

Cleanergy develops sustainable solutions for gas and solar energy production based on the Stirling engine. One such product, known as the CHP System, converts methane gas into heat and power. The product is used in landfill sites, waste water treatment plants and agricultural operations.

Lesjöfors has developed a new suspension system for the multiple heat plates in the CHP System, which capture the heat from the combustion tube in the Stirling engine. This solution makes assembly easy, having reduced the time needed from several hours to only a few minutes.

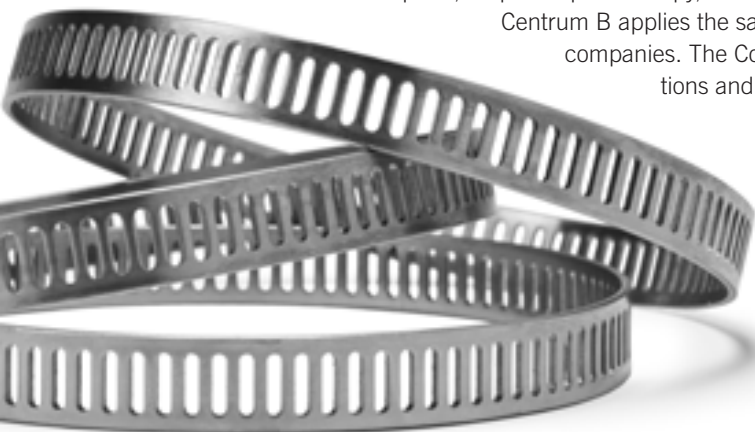
“The heat plates serve a critical function, so it was crucial to find a solution that improves quality and cuts the assembly time,” says Håkan Sandberg, Development Engineer at Cleanergy.

CENTRUM B EARNS CSR DISTINCTION

The Lesjöfors-owned company Centrum B has been awarded the title of “Social Responsible Company” by the Slovakian business association (NISSR). The evaluation is based on an EU-approved point rating system. To earn the title of “Social Responsible Company,” a company must meet a number of criteria in the areas of state support (taxes paid), corporate philanthropy, ethics and profitability.

Centrum B applies the same CSR strategy and Code of Conduct as Lesjöfors's other companies. The Code is based on international guidelines, including UN regulations and the ISO 26000 standard for social responsibility.

“Only 4.4 percent of all companies in Slovakia meet the NISSR criteria, so this distinction means a lot to us,” says Ján Mačuha, President of Centrum B.





COMPRESSION SPRINGS FOR MAJOR TURKISH COMPANY

In 2015, Lesjöfors Tinglev entered into a partnership with Turkey's largest company, the white goods and electronics manufacturer Arcelik. Under this partnership, Lesjöfors has been delivering high-quality compression springs to the company's compressor factory in Turkey. Arcelik imposes strict demands on its sub-suppliers, requiring consistently high quality in all components and a capacity for high-volume production.

"In our experience, Lesjöfors Tinglev is a highly competent supplier with extensive knowledge about compressor springs," says Ezgi Akkaya, Purchaser at Arcelik.

SMALL DETAIL OFFERS MAJOR RELIEF

A simple hook can make lifting easier for medical staff. Benwin Care is the company behind the Garment Lifter, a product made from a single piece of wire with hooks at both ends that can be attached to the upper and lower part of the patient's upper-body garments. This eliminates the need for awkward movements in order to keep the patient's clothing out of the way during toilet visits.

Inventor Bengt Winner came up with the idea while caring for his sick wife at home. He turned to Lesjöfors when it was time to manufacture the Garment Lifter.

"This is probably one of the simplest products we have developed, but its range of use is enormous and it has the potential to become a big seller worldwide. When a need and idea are combined with design and production expertise, ingenious solutions can be created," says Jan-Eric Nordh, Site Manager at Lesjöfors in Nordmarkshyttan.



SPRINGS FOR THE HEAVIEST NEEDS



Lesjöfors is one of few European spring manufacturers in the heavy industry segment. Its products are used, for example, in the rail sector, the automotive, paper and mining industries, and military equipment. Its springs must be able to withstand extreme strain. The wire itself may be up to 65 millimeters thick and the springs may weigh as much as 350 kilos. Lesjöfors manufactures compression, tension and torsion springs in large dimensions.

"Our spring engineers are more than willing to offer advice about material selection, surface treatment, calculations and technical support. We want to become involved in projects as early as possible so that we can establish the optimal conditions from the start," says Mats Blåder, President of Lesjöfors Fjädrar.

HABIA CABLE

Habia Cable develops, manufactures and sells custom-designed cables and cable systems for demanding applications. The company is one of the largest manufacturers of custom-designed cables in Europe and operates in two business areas: Telecom and Other Industry. Its products are sold in approximately 50 markets. The President of the company is Carl Modigh, born in 1972, Degree in Engineering and Executive Master of Business Administration, employee since 2006.



INFRASTRUCTURE. Habia does not conduct any major sales in this segment.



DEFENSE. Cables and cable harnesses for military technology used in communication equipment, aircraft, ships, helicopters, underwater technology and military vehicles.



ENERGY. Safety-rated cables for instruments and control systems inside reactor containments at nuclear power plants. Certified installation cables for oil platforms, cables for turbines, custom-designed cables for pumps, and heating cables for oil pipelines.



TELECOM. The company's single largest customer segment, where Habia mainly delivers cables for base-station antennas within mobile telecom. The company's global market share in this area is very high.



ORIGINAL AUTOMOTIVE. Habia does not conduct any major sales in this segment.



CHASSIS SPRINGS. Habia does not conduct sales in this customer segment.



OTHER INDUSTRY. Cables for various applications, including sensors in industrial environments, electric hand tools and steelworks.

765

Invoicing amounted to MSEK 765 (790).

12.9

The operating margin was 12.9 percent (11.8).

99

Operating profit totaled MSEK 99 (94).

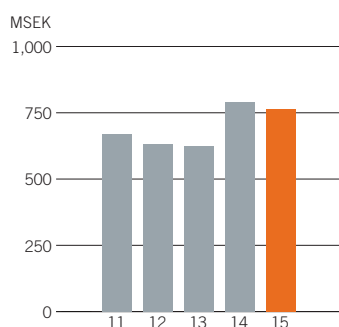
TELECOM

Weaker performance in Telecom compared with the preceding year, which was exceptionally strong. Nevertheless, Habia achieved its second-strongest sales volume to date in this area in 2015.

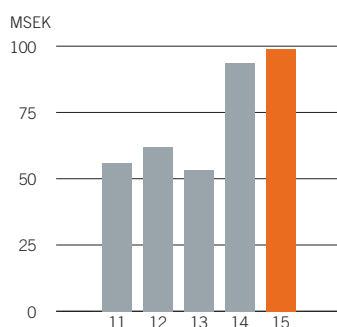
SHARP INCREASE IN NUCLEAR POWER

Sharp increase in order bookings and invoicing in nuclear power, primarily in Asia and the Middle East. Weaker demand from industrial customers in Europe. Strong performance in cable harnesses for defense customers, where Habia captured market shares.

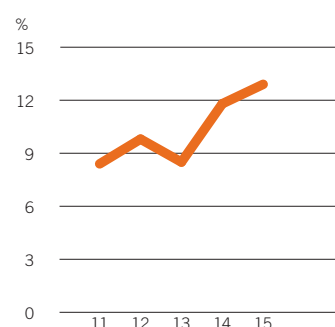
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK

	2015	2014	2013	2012	2011
Net revenues	765.1	790.2	624.3	632.4	668.2
Cost of goods sold	-492.9	-530.5	-422.1	-421.3	-469.0
Gross profit	272.2	259.7	202.2	211.1	199.2
Selling expenses	-101.3	-93.4	-84.7	-89.7	-78.5
Administrative expenses	-71.9	-72.7	-64.3	-51.9	-48.6
Operating profit	99.0	93.6	53.2	61.9	55.9
Operating margin, %	12.9	11.8	8.5	9.8	8.4
Net financial items	-2.9	-4.1	-4.3	-4.3	-6.3
Profit after net financial items	96.1	89.5	48.9	57.6	49.6
of which, depreciation and amortization	25.0	21.0	17.9	19.9	20.3
Capital expenditures, excluding corporate acquisitions	64.9	31.3	16.6	8.6	22.4
Return on capital employed, %	23	24	14	18	15
Average number of employees	598	550	483	462	466



About Habia Cable – high degree of customization

Habia Cable develops, manufactures and sells custom-designed cables and cable harnesses. The company is the leading player in Europe in these areas. Its products are used in demanding, high-tech applications in harsh environments. Many cables have unique properties and are made from high-performance materials that are able to withstand, for example, extremely high or low temperatures, radioactivity, pressure, fire, bending or vibrations.

Habia has two business areas: Telecom and Other Industry. The cables in the Telecom business area are mainly used in base-station antennas for mobile telecom. These products are relatively standardized. In Other Industry, most cables are adapted to meet specific customer needs and are delivered, for example to the nuclear power, defense, transport, offshore and manufacturing industries.

Habia conducts manufacturing operations in China, Sweden, Germany and Poland. The facility in China is now the largest in the company. During 2015, the production of telecom cables was concentrated to this plant, allowing the company to boost its competitiveness in a market segment with increasing price pressure, particularly from manufacturers in Asia.

In Sweden, manufacturing focuses on customized cables, including cables for the nuclear power market, where demand increased sharply

DISTRIBUTION BY BUSINESS AREA

Telecom 39%
Other Industry 61%



INVOICING BY GEOGRAPHIC MARKET

Sweden 5%
Other EU 50%
Other Europe 2%
Asia 38%
North America 4%
Rest of the world 1%



Market and sales – close cooperation

Marketing and sales activities are managed via local sales organizations in the main markets in Germany, the Nordic region, other countries in Western Europe, China, Korea and India. In Europe, the company's market share in the defense, nuclear power and industrial segments is less than 10 percent. The global market share in the telecom segment is significantly higher.

Habia offers comprehensive cable expertise, including design, product development, manufacturing, sales, distribution and customer support. Other competitive advantages include:

- Global production and delivery capacity.
- High product quality.
- Cutting-edge expertise in high-performance materials.
- Flexible production and logistics.
- Ability to deliver complete cable harnesses.
- A high degree of customization.

Habia's most important market channels are its direct sales, its website and trade fairs. Since a large proportion of its sales pertain to customized cables and cable harnesses, the company's sales personnel and designers work closely with the customers to develop solutions that meet their needs. One example of this is the offshore market, where Habia



during the year. The German plant manufactures equipment wire and cables, while the facility in Poland focuses on cable harnesses. The manufacturing volume within cable harnesses also increased sharply in 2015. This positive trend created opportunities for new investments and a continued expansion of the operations. In Germany, additional undeveloped land was purchased next to the plant. This will ultimately enable an expansion of this facility as well.

Product and quality development – projects at two levels

Habia conducts proprietary, group-wide product development, as well as local development at each plant. Some projects are fully or partly financed by customers, for example, in the offshore and defense segments. Group-wide development focuses on casing and insulating materials – for example, finding suitable polymers and using the right additives to ensure the performance of cables in demanding environments. Local development focuses on designing customized cables and cable harnesses. Each plant has specialists who support the development of the types of cables manufactured at the individual facility. In line with this approach, product development for the telecom operations has been relocated to China, where all manufacturing now takes place. In Sweden, Habia has developed products for the offshore market that expanded its

has identified long-term growth opportunities. The new products developed together with customers in the offshore sector must, for example, be able to withstand extremely high temperatures, pressure and tension. During 2015, the sales organization was strengthened and greater focus was devoted to agents and external distributors, which previously accounted for a smaller proportion of sales. This initiative has broadened the company's geographic presence.

Facts about Habia's sales

- Encompass about 50 countries.
- More than 95 percent of sales are conducted outside Sweden.
- The single largest market is Germany.
- 61 percent of the manufacturing volume pertains to customized cables.

61%

Customized cable products account for 61 percent of Habia's manufacturing volume. These unique products are sold to only one customer.

DISTRIBUTION OF SALES

Customized products 61%

Proprietary standard products 39%



Customer value – unique solutions

The companies in the Beijer Alma Group offer products and services with high added value that customers are willing to pay for, which contributes to the Group's profitability. Among other advantages, Habia Cable creates customer value by offering products that:

- Add unique properties to the customer's products.
- Have a longer service life than other competing products.
- Are easier to install and require less space.

Unique properties means that the company's cables and cable harnesses improve the performance of technical solutions or contribute to a functionality that would not otherwise be possible. Habia Cable's extremely low-damping coaxial cables are used to increase the range of base-station

antennas. This enables mobile operators to improve the coverage of the network at a lower cost.

Longer service life means that the cables do not need to be replaced as often as other competing products. This is particularly important for cables used in demanding environments – such as nuclear power plants – where replacing cables is a complicated and costly procedure.

More flexible, lightweight products means that the cables are lighter, less bulky and thus easier to handle and install. Thanks to its choice of materials, Habia is able to manufacture cables with a thinner insulating layer, thereby reducing the dimensions and weight of the cable.

offering in the nuclear power segment. In Poland, techniques are being developed for casting connectors.

This focus on quality encompasses the entire production chain – from design, development and manufacturing to delivery. The company's product-quality order fulfillment rate has remained steady at 99 percent without complaint for many years. All of Habia's plants have been awarded ISO 9001 quality certification. Many products meet the quality requirements of industry standards and hold third-party certification from, for example, Det Norske Veritas (DNV) or Underwriters Laboratories. During 2015, the company's offshore cables were certified according to the NEK 606 industry standard. The facility in Poland was certified according to the ISO 14001 environmental standard.

Employees

The number of employees increased by 20 to 570 (550). In China and Poland, the number of employees rose by 29 to 275 (246). In other countries, the number of employees decreased by 9.

99%

Habia's focus on quality encompasses design, development, manufacturing and delivery. The company's product-quality order fulfillment rate is more 99 percent without complaint.

KEY FIGURES MSEK	2015	2014	2013	2012	2011
Average number of employees	570	550	483	462	466
of whom, salaried employees	232	177	175	164	164
of whom, collective-agreement employees	338	373	308	298	302
of whom, men	352	331	265	275	289
of whom, women	218	219	218	187	177
of whom, in high-cost countries	295	304	283	274	282
of whom, in low-cost countries	275	246	200	188	184
Number of employees at year-end	598	571	485	489	461
Sickness absence, %	6.3	5.4	4.4	2.8	3.4
of which, short-term absence	3.1	4.3	2.5	2.4	2.2
of which, long-term absence	3.2	1.1	1.9	0.4	1.2

Business areas

TELECOM

PERFORMANCE IN 2015

- Second-highest sales volume to date during a single financial year.
- Price competition remained intense, mainly from manufacturers in Asia.
- Continued success for Habia's low-damping coaxial cables.
- Production capacity was expanded and consolidated to the plant in China.
- Sales totaled MSEK 297 (358).

MARKET TRENDS/ DRIVING FORCES

- A large portion of antenna production now takes place in Asia.
- Asian antenna manufacturers have also achieved success outside their home markets.
- Falling prices.
- Antennas for 4G networks, multiband antennas and active antennas are subject to stricter requirements in terms of cable quality and performance.
- The expansion of the 4G network is boosting demand from antenna manufacturers.

CUSTOMERS

- Global antenna manufacturers in mobile telecom, including such companies as Kathrein, RFS and Comba.

COMPETITORS

- International cable companies such as Huber+Suhner and, to a growing extent, Asian cable manufacturers such as the Chinese company KingSignal.

MARKET POSITION

- Habia is the leading supplier of cables for base-station antennas in terms of sales, quality and product range.
- Sales in some 20 countries, with a focus on Asia and Europe. Products also exported to North America.

OTHER INDUSTRY

- Weak demand in the industrial markets in Europe, and in China later in the year.
- Sharp growth in nuclear power. Order bookings rose to more than MSEK 100.
- Strong performance in cable harnesses, with Habia securing new business in the defense segment.
- Focus on offshore. Despite the low oil price, several development projects were carried out with customers in this sector.
- Sales totaled MSEK 468 (432).

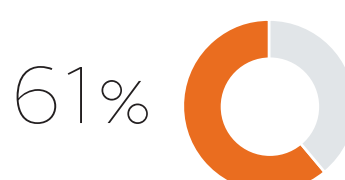
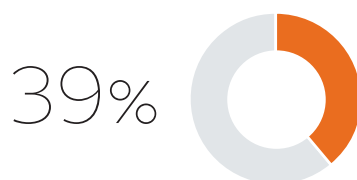
- Increased demand in nuclear power, with facilities being built or modernized. Stricter requirements with respect to safety and service life are resulting in more rigorous technical requirements for cables.
- Demand in the defense segment declined, particularly in Europe.
- Weak industrial economy in Europe.
- New investments declined in the offshore sector as a result of the low oil price. At the same time, Habia is participating in a number of development projects.

- Companies in the defense, offshore, nuclear power and other industrial sectors. Most products are used in harsh environments and must withstand extreme temperatures, radiation, fire, chemicals, high pressure or repeated bending.
- Habia's products are used, for example, in sensors in industrial and marine environments, electric hand tools, gas turbines, marine diesel engines and steelworks.

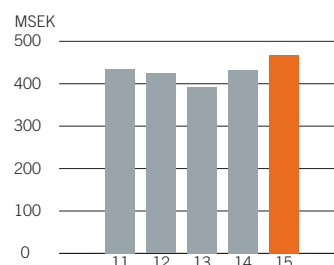
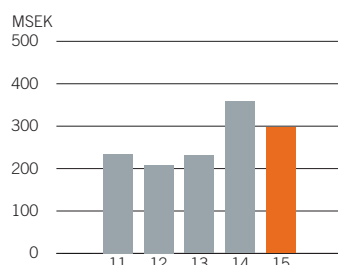
- International cable companies, such as Tyco Electronics (defense) and Nexans, Prysmian and Rockbestos (nuclear power). Habia's main competitors in the industrial segment and customized cable harnesses include local or regional manufacturers.

- The largest markets are Germany, France, the UK, South Korea and Sweden, which account for about 60 percent of sales.
- Habia's market share in the nuclear power, defense and industrial cable segments is between 5 and 10 percent. In certain niche segments, its market share is higher.

SHARE OF THE COMPANY'S INVOICING



INVOICING BY BUSINESS AREA



PEEK – CABLE MATERIAL FOR HARSH ENVIRONMENTS

Many of Habia Cable's products are used in harsh environments. These cables must be able to withstand extreme temperature fluctuations, abrasion, chemicals and radiation. The durable plastic material PEEK is ideally suited to these types of environments. The material is extremely hard and able to withstand aggressive abrasion. It is also halogen-free and naturally fire-resistant, which means that it produces low levels of smoke and toxins should it start to burn.

Habia has used PEEK as an insulation material in its cables for many years. The applications in which PEEK is used are often classified, which is why Habia's specialist expertise regarding this unique material is not common knowledge.

"PEEK is our most exclusive material and it has a relatively small field of application. But thanks to its extreme durability, it is often the best alternative in cases where a cable is exposed to significant external strain," says Johanna Björling, Head of Product Development at Habia Cable.

FOCUS ON TELECOM IN CHINA

During the year, Habia relocated its remaining production operations for coaxial cables for telecom applications from Söderfors, Sweden, to its plant in Changzhou, China.

"The majority of these products are already manufactured in China, where most of our customers are also located," explains Carl Modigh, President of Habia Cable. "We also moved our industrial cable manufacturing to new premises in Changzhou. This will allow us to expand our area and capacity for telecom production."

As a result of this move, production at the Söderfors plant is now focused on custom-designed cables for demanding applications. Investments will be made in 2016 in order to meet demand in the offshore and nuclear power sectors, as well as other segments.

CERTIFICATION FOR OFFSHORE

Habia is strengthening its offering in the offshore sector. During the year, the company completed the certification process for a new type of installation cable for oil platforms.

"The requirements in the offshore sector are very strict. This certification will enable us to offer our products in additional areas of the market," says Kent Lundström, Manager for the offshore segment at Habia. "These cables are fire-resistant and must be able to withstand spray and spillage of oil and chemicals."

The standard is known as NEK 606 and the certification process started a couple of years ago. Habia also delivers other types of offshore cables, including cables for turbines used to supply electric current to the platforms.

"We are also strong in the area of high-temperature products and have developed a new product called Medium Voltage High Temperature," says Kent Lundström. This range is used, for example, in pumps and heating cables, and must be able to withstand temperatures up to 200 degrees Celsius. Another advantage is that Habia's offshore cables are smaller and more compact than many of their competitors, making them easier to handle.

RECORD YEAR FOR POLISH PLANT

2015 was the strongest year to date for Habia's Polish plant. Compared with 2014, invoicing of cable harness increased 40 percent and order bookings 61 percent.

"These strong figures were the result of an increase in demand from existing customers, as well as new customers in such countries as Belgium, France and the UK. We have been able to meet this demand thanks to the strong performance of our sales organization and the capacity of our plant in Poland," explains Plant Manager Aga Pawlowska.

"Our main success factors have been our ability to quickly develop suitable technical solutions, the quality of our end products and the commitment of our employees," she adds.



NEW TREATMENT TECHNIQUE

Habia Cable has operated in China since 2000 and at its current cable plant since 2006. Telecom cable manufacturing has long been Habia's main area of operation, prompting the company to relocate all production of these products to China in 2015. In parallel with this change, investments were made in a better treatment technique at Habia's Changzhou plant.

Naphtha, also known as SBP, is used as a solvent in Habia's cable manufacturing. Since Habia does not want its finished cable products to contain traces of naphtha, the solvent must be removed during the manufacturing process. This stage creates a discharge of hydrocarbon that must be properly treated.

"During manufacturing, the cable products are heated in a furnace to about 300 degrees Celsius, causing the naphtha to evaporate. This technique removes, combusts and vents any remaining solvent," explains Stefan Westin, Head of Habia's operations in China. "It's a highly effective technique that removes between 98 and 99 percent of the naphtha."

DOUBLED SALES IN NUCLEAR POWER MARKET

During 2015, Habia doubled its cable sales to the nuclear power market.

"One of the key reasons for this impressive growth was our ability to meet customer demands for short lead and delivery times, partly thanks to our flexible production planning," says Micael Lindberg, who is responsible for the nuclear business at Habia Cable.

The company's sales increase was partly a result of growing demand, particularly in Asia. At the same time, the customer base is also expanding as the company delivers nuclear power cables to customers in new geographic markets.

"Asia and the Middle East are two of the fastest-growing markets. Demand is increasing as new nuclear power plants are being built and older facilities are being modernized or upgraded," explains Micael Lindberg.

Habia delivers safety-rated and accident-tested cables used inside reactor containments – for example, in instruments and control systems. The company is also increasingly supplying cables used in other areas of nuclear power plants.



BEIJER TECH

Beijer Tech specializes in industrial trading in the Nordic region and represents several of the world's leading manufacturers. Its operations are divided into two business areas: Fluid Technology and Industrial Products. The offering comprises a broad range of components, consumables, input goods and machinery from leading manufacturers, as well as products and services adapted to meet specific customer needs. The President of the company is Staffan Andersson, born in 1976, Master of Engineering and Master of Business Administration, employee since 2015.



INFRASTRUCTURE. Processed hose products for trains and other forms of public transport. Industrial rubber for companies in the construction industry and infrastructure projects.



DEFENSE. Customized products in fluid technology, hoses, technical seals and consumables for surface treatment.



ENERGY. Consumables and machinery for companies in the offshore sector, including a comprehensive offering for surface treatment and processing, as well as consumables and equipment.



TELECOM. Customer-specific industrial rubber, technical seals and surface treatment products.



ORIGINAL AUTOMOTIVE. Specially adapted hose products for buses, trucks and other heavy vehicles.



CHASSIS SPRINGS. Beijer Tech does not conduct sales in this customer segment.



OTHER INDUSTRY. The company's largest customer segment, with deliveries of industrial rubber, seals, hoses and other fluid technology products for a number of industrial applications. Beijer Tech also offers consumables, input goods, machinery equipment and service for the foundry industry, as well as steelworks and smelters.

761

Invoicing amounted to MSEK 761 (782), down 3 percent.

NEW MANAGEMENT

A new management group and organization were introduced at Beijer Tech in 2015. As part of this change, the number of employees at the head office was halved and the number of managers in the organization reduced significantly. Investments were made in employees and equipment in order to strengthen the company's local expertise and competitiveness and to decentralize business responsibility.

18

Operating profit totaled MSEK 18 (44).

INDUSTRY

Sales in Industrial Products declined. Earnings were adversely affected by a downturn in business compared with earlier years, the full impact of which was felt in 2015. The business area was also affected by an overall weak trend in the industrial market, with the most significant decline noted in the offshore sector.

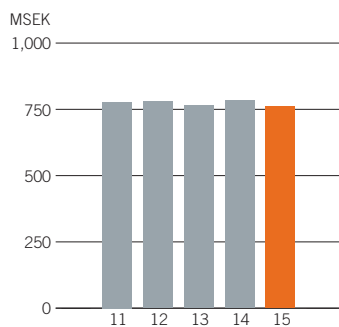
2.3

The operating margin was 2.3 percent (5.6).

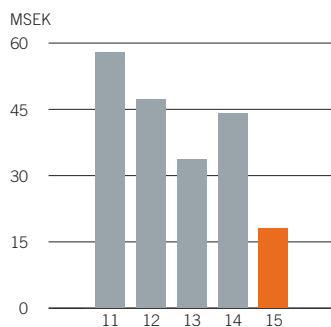
FLUID TECHNOLOGY

Fluid Technology reported a marginally negative invoicing and earnings trend. Sales to large customers and retailers were stable. Volumes to smaller customers were negatively impacted by weak market demand.

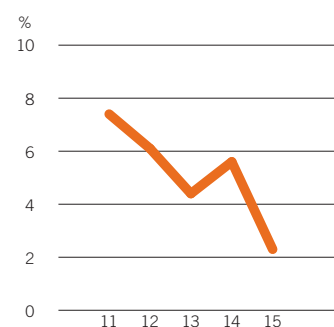
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK

	2015	2014	2013	2012	2011
Net revenues	760.6	782.1	765.6	780.3	777.1
Cost of goods sold	-558.2	-556.6	-555.5	-563.9	-556.9
Gross margin	202.4	225.5	210.1	216.4	220.2
Selling expenses	-116.9	-115.2	-110.0	-104.5	-100.1
Administrative expenses	-68.0	-66.2	-66.5	-64.7	-62.3
Operating profit	17.5	44.1	33.6	47.2	57.8
Operating margin, %	2.3	5.6	4.4	6.1	7.4
Net financial items	-0.5	-0.6	-2.0	-0.8	-0.9
Profit after net financial items	17.0	43.5	31.6	46.4	56.9
of which, depreciation and amortization	8.0	8.5	9.4	8.7	6.2
Capital expenditures, excluding corporate acquisitions	5.1	3.9	3.1	3.1	6.7
Return on capital employed, %	4	17	13	19	23
Average number of employees	218	225	236	207	202

About Beijer Tech – strengthening productivity and competitiveness

Beijer Tech offers Nordic companies products and services that improve their productivity and competitiveness. This means that Beijer Tech helps to reduce customers' total costs by improving their manufacturing results or the quality of their products. The company's products can also help to improve a customer's work environment or reduce its environmental impact.

The offering comprises products from leading manufacturers, as well as products and services adapted to meet specific customer needs.

- Components – machinery and system parts.
- Consumables – used in production and maintenance processes.
- Input goods – part of a finished product.
- Machinery/equipment – for example, parts of foundries and steelworks.
- Various types of service.

The product range is broad and covers the areas of fluid technology (for example, hoses and couplings), industrial rubber (for example, gaskets and rubber products) and surface treatment (for example, blasting and grinding). The range also includes industry-specific solutions for foundries, steelworks and the offshore sector.

DISTRIBUTION BY BUSINESS AREA

Fluid Technology 38%
Industrial Products 62%



INVOICING BY GEOGRAPHIC MARKET

Sweden 71%
Norway 11%
Denmark 9%
Finland 8%
Rest of the world 1%




Market and sales – increasing sales power

The main market is the Nordic region, where the total market for Beijer Tech's products is valued at more than SEK 10 billion. Customers include companies in the engineering industry, foundries, steelworks and maintenance companies in the offshore sector. In addition to a broad range of components, consumables and machinery, the company also offers a service concept, wherein Beijer Tech rents out equipment or provides service at customer facilities.

The company's most important competitive advantages are its knowledge about how products are used in production and maintenance processes, its broad range and its high delivery precision. Another advantage is its

broad supplier base, where the company's purchasing partnerships with leading manufacturers creates a strong offering supported by technical expertise. Customization of products and services is another important component of the offering.

In 2015, several initiatives were introduced to strengthen the company's sales power by devoting greater resources to marketing and sales management within the business areas. Investments were also made in new support systems, including customer relationship management (CRM), which results in improved customer processing and service. Joint training sessions were held for the sales team. Thanks to a



A new management group and organization were introduced at Beijer Tech during the year. As a result, the number of employees at the head office was halved. The number of managers in the organization was also reduced and business responsibility was further decentralized. The operations are based on a number of product and service concepts organized into two business areas: Fluid Technology and Industrial Products. Fluid Technology operates within the company Lundgrens, which has its main market in Sweden. All other concepts are included in Industrial Products: Beijers, Karlebo, Tebeco, PMU, Norspray and Preben Z. Industrial Products operates in Sweden, Norway, Finland and Denmark.

The business areas have their own, independent management teams, which are responsible for their operations. Beijer Tech offers central support on matters pertaining to strategy, earnings follow-up, IT/administration, financing, acquisitions and joint development projects. The new organization has resulted in more efficient control, transferred responsibility for operational decision-making to the individual operations and clarified the distribution of authority and profit responsibility.

25,000

Fluid Technology's range encompasses some 25,000 items.

15

Beijer Tech conducts operations in 15 locations in the Nordic region.

focus on e-commerce and e-catalogs, large parts of the offering are now available via computers, tablets and smartphones.

More about Beijer Tech's sales

- Beijer Tech operates in 15 locations in the Nordic region.
- The business areas have their own sales organizations based on their geographic market.
- Sweden is the largest market and accounts for approximately two-thirds of sales.
- Leading market positions in industrial rubber in Sweden and surface treatment – for example, blasting and precision grinding – in the Nordic region.
- Strong competition when it comes to delivering turnkey projects for foundries and steelworks.

High customer value – focus on total cost

Many of Beijer Alma's products and services generate added value – value which the customer is willing to pay for and which helps to increase the Group's profitability. Among other advantages, Beijer Tech creates customer value by offering:

- A high level of expertise with respect to the end customer's total cost.
- A customized offering.
- Optimal availability.

A high level of expertise with respect to the end customer's total cost means that Beijer Tech has cutting-edge knowledge about products and services and how they impact the end

customer's productivity and total cost. The focus is not on the price of individual products and services, but rather on solutions that give the customer the lowest total cost in the form of high productivity and a good work environment.

A customized offering refers to Beijer Tech's broad range of products and services from leading suppliers to meet customers' needs. The offering also includes customized product refinement and specialized purchasing in a range of areas.

Optimal availability means that Beijer Tech offers high delivery precision and efficient customer support, adapted to meet its customers' requirements. An important aspect of this is to always be close at hand when customers require products or advice.

Quality and product range development – expanded focus

Customer satisfaction and delivery precision are important hallmarks of quality. Beijer Tech's large operations are certified according to ISO 9001 and ISO 14001. The company's smaller operations base their quality procedures on industry-specific certifications and other standards. Customer satisfaction is monitored using surveys, and delivery precision is measured on a continuous basis. During the year, investments were made in new autopickers and production equipment, which will further improve the company's delivery performance. The range is continuously being developed to match the customers' needs. In 2015, the company decided to strengthen its resources in this area. As a result, more employees will now focus on product range development – both in existing product areas and in new areas with long-term growth potential.

71%



Sweden is Beijer Tech's single largest market and accounts for approximately two-thirds of all sales.

Employees

In 2015, the number of employees decreased by 7 from 225 to 218. The number of employees in Sweden totaled 180 (187). The Beijer Tech Group had 15 employees (15) in Norway, 15 (15) in Denmark and 8 (8) in Finland.

KEY FIGURES MSEK	2015	2014	2013	2012	2011
Average number of employees	218	225	236	207	202
of whom, salaried employees	158	154	161	153	141
of whom, collective-agreement employees	60	71	75	54	61
of whom, men	184	192	198	171	173
of whom, women	35	33	38	36	29
of whom, in high-cost countries	218	225	236	207	202
of whom, in low-cost countries	0	0	0	0	0
Number of employees at year-end	215	218	231	214	207
Sickness absence, %	3.4	0.3	0.9	3.2	2.3
of which, short-term absence	0.3	0.2	0.4	1.5	1.5
of which, long-term absence	3.1	0.1	0.5	1.7	0.8

Business areas

	FLUID TECHNOLOGY	INDUSTRIAL PRODUCTS																								
PERFORMANCE IN 2015	<ul style="list-style-type: none">Stable invoicing with weaker earnings.Strongest trend within sales to major customers and retailers.Sales totaled MSEK 292 (294).	<ul style="list-style-type: none">Weak market trend throughout the Nordic region, with the most significant decline reported in the offshore sector.Sales amounted to MSEK 469 (488).																								
MARKET TRENDS/ DRIVING FORCES	<ul style="list-style-type: none">Focus on efficient supply of goods, which reduces the risk of standstills.Customers expect suppliers to provide technical support and expertise.Internationalization is enabling sales to Swedish customer abroad.Increased demand for customized products adapted to meet customer needs.Greater range in demand for products. Certain customers require high-quality products, while others are satisfied with working quality.	<ul style="list-style-type: none">Internationalization represents a challenge, but also enables sales to Swedish customers' production facilities abroad.Global competition is boosting demand for process efficiency/automation and energy savings in the Nordic region and resulting in stricter requirements on quality, competence, transport costs and environmental standards. This is creating both opportunities and new challenges.The trend toward cost cutting and outsourcing is raising demand for turnkey solutions.																								
CUSTOMERS	<ul style="list-style-type: none">Direct sales to industrial companies, contractors, agricultural operations and environmental remediation companies (components and consumables) and distribution to smaller customers via retailers.Input goods to manufacturing companies. These components are part of the product being manufactured.	<ul style="list-style-type: none">Metal working companies, foundries, steelworks and smelters, as well as several manufacturing companies in the engineering industry and maintenance companies in the offshore sector.																								
COMPETITORS	<ul style="list-style-type: none">Competitors in Fluid Technology include Trelleborg, Hydroscand, Dunlop Hiflex and Specma, and competitors in the industrial rubber subsegment include National Gummi, Trelleborg and Rubber Company.	<ul style="list-style-type: none">The largest competitors in the foundry segment are Calderys Nordic, Foseco, Lux and Meca Trade. Beijer Tech competes with Vesuvius and Indesko in steelworks and smelters, and with Tyrolit, KMC and Metabradive in surface treatment.																								
MARKET POSITION	<ul style="list-style-type: none">The main market is Sweden.A fragmented market in which Beijer Tech holds a very strong position in several niches, including both industrial hoses and industrial rubber.	<ul style="list-style-type: none">The main market is the Nordic region. The single largest market is Sweden, which accounts for about 53 percent of sales.A fragmented market in which Beijer Tech holds a strong position in several niches, including blasting and precision grinding.																								
SHARE OF THE COMPANY'S INVOICING	38% 	62% 																								
INVOICING BY BUSINESS AREA	 <table><caption>Invoicing by Business Area - Fluid Technology (MSEK)</caption><thead><tr><th>Year</th><th>Invoicing (MSEK)</th></tr></thead><tbody><tr><td>11</td><td>340</td></tr><tr><td>12</td><td>310</td></tr><tr><td>13</td><td>280</td></tr><tr><td>14</td><td>290</td></tr><tr><td>15</td><td>292</td></tr></tbody></table>	Year	Invoicing (MSEK)	11	340	12	310	13	280	14	290	15	292	 <table><caption>Invoicing by Business Area - Industrial Products (MSEK)</caption><thead><tr><th>Year</th><th>Invoicing (MSEK)</th></tr></thead><tbody><tr><td>11</td><td>430</td></tr><tr><td>12</td><td>460</td></tr><tr><td>13</td><td>470</td></tr><tr><td>14</td><td>480</td></tr><tr><td>15</td><td>469</td></tr></tbody></table>	Year	Invoicing (MSEK)	11	430	12	460	13	470	14	480	15	469
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News at a glance

FLUID TECHNOLOGY FOR THE SHOWER OF THE FUTURE

Orbital Systems offers the world's most advanced and environmentally friendly shower systems. The company's technology saves more than 90 percent in water and 80 percent in energy. Lundgrens was involved in the development of this groundbreaking product, created by an ingenious Swedish company.

"We were given an opportunity to review the company's fluid technology and developed a system that is better and cheaper for Orbital Systems," explains Kim Malmberg, Sales Representative at Lundgrens. "We took a broad approach and contributed everything from hoses and couplings to chemical engineering solutions.

For example, Lundgrens helped to replace most of the existing couplings with specially adapted automatic couplings, allowing technical simplifications to be made which saved considerable time during assembly. Series production is now under way. During the first stage, 300 will be manufactured at Orbital Systems' Swedish plant.



ZUND – DIGITAL CUTTING TECHNOLOGY

Quick, cost-efficient and flexible. These are some of the many advantages of the digital cutter in which Lundgrens recently invested. The technology, supplied by the company Zund, simplifies the manufacturing of gaskets, seals and rubber profiles – products supplied by Lundgrens to various construction, IT and metal companies.

"The machine, which can cut rubber, cork, plastic and other materials, is creating new opportunities for us. Flexibility is key since the technology makes many types of job possible. Speed is also important since the time between order and delivery is often short," explains Fredrik Hedman, Site Manager at Lundgrens.

He also explains that digital cutting is cost-efficient since the company no longer needs to manufacture customized tools as it did with the old punching machines. Finally, the new technology is also resource-efficient. Using a special program, the material for gaskets and seals is manufactured in an optimal manner.



SIMPLER ONLINE SHOPPING

Preben Z has upgraded its website and online store. The Danish company sells consumables and machinery in various areas, including tumbling, blasting, grinding and polishing. Its customers include companies specializing in metal working and other manufacturing industries.

"We have modernized the design of our website and adapted it to match Beijer Tech's Group profile," explains Jesper Nielsen, President of Preben Z.

The company's digital product catalog also serves as an online store. The site is also supported by a smart business system, which gives customers access to all campaigns, discounts and special prices, regardless of how they shop with Preben Z.

"When an order is sent from the online store, it is registered in our business system, which allows our sales personnel to print out a requisition order immediately," says Jesper Nielsen. "The response from customers has been positive. They think the online store offers a good overview and is easy to use."





PMU TAKES AN OVERALL APPROACH

PMU supplies fixtures and fittings for heavy industry. Delivering turnkey facilities is one of the company's specialties. PMU assumes overall responsibility in these projects – from the drawing board to the start of production.

“Two foundries have been built in Sweden in recent years. PMU was involved in the development of both. The most recent example is Unnaryd Modell AB, where an iron foundry was added on to an aluminum casting plant,” explains Peter Johansson, President of PMU.

Making the project particularly challenging, the iron foundry needed to be connected to parts of the existing equipment. PMU developed a total solution including the design and installation of various machinery and components. A customized plant was then built around this solution.

“With the help of our fellow subsidiaries Karlebo and Beijers, which contribute products and expertise, we provide comprehensive solutions, which are practical for the customer,” says Peter Johansson.

TOTAL COST THE SUBJECT OF THE DAY

Total cost was the subject of the day as 30 of Beijer Tech's sales representatives returned to the classroom. Helping to reduce customers' total costs is one of the company's central goals and it is important that this is reflected in its sales message. Seven training sessions were held in 2015. These were based on the 80/20 method.

“80/20 helps our sales personnel to focus on the right things, meaning the factors that will generate the best possible effect and result. The method encourages people to stop and reflect, to dare to disregard certain things and to focus their sales work on the areas with the greatest potential,” says Mikael Åkesson, Founder of the company Pareto 80/20, which was responsible for the training courses.

The training sessions included a review of the sales method, as well as group assignments and practical exercises. The participants were also given a personal plan to follow in their everyday work.

“When we discussed total cost, we emphasized the importance of being proactive, finding the right angle when talking with the customer and helping the customer to understand the added value that Beijer Tech offers,” says Mikael Åkesson.



NORSPRAY ACHIEVES QUALITY CERTIFICATION

Norspray is now certified according to the ISO 9001:2000 quality standard. The company sells and rents equipment for various purposes, including blasting, paint and rust removal, grinding and painting.

“The work was completed in the autumn and we are now the only company in our industry to have been certified according to the ISO standard,” explains Geir Guldborg, President of Norspray.

Norspray is a subsupplier to a number of ISO-certified companies in Norway. The companies, which specialize in insulation, construction and surface treatment, mainly serve customers in the area of oil and gas extraction. Among other work, these ISO-certified companies are involved in the rebuilding and maintenance of oil platforms.

“They are our most important customers and impose strict demands on their subsuppliers, for example, with respect to documentation of work processes and quality assurance. “We are now better equipped to meet these demands. This strengthens our position and makes us a more attractive supplier,” explains Geir Guldborg.



The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2015 financial year.

Corporate Governance Report

GROUP CONTROL

Beijer Alma AB is a Swedish public limited liability company listed on Nasdaq Stockholm (Stockholm Stock Exchange). Accordingly, Beijer Alma's corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, Nasdaq Stockholm's rules for issuers, the Swedish Corporate Governance Code (the "Code"), the company's Articles of Association and other relevant rules and guidelines.

DEVIATIONS FROM THE CODE

Beijer Alma deviates from provision 2.4 of the Code, which stipulates that the company's directors may not serve as the Chairman of the Nomination Committee. The Chairman of the company's Board of Directors is the principal shareholder, and the nomination procedure for the Nomination Committee approved by the Annual General Meeting states that the Chairman of the Nomination Committee is to represent the principal shareholder. Provision 2.4 also stipulates that not more than one of the directors on the Nomination Committee may be dependent in relation to the major shareholders. However, the Annual General Meeting, which appoints the members of the Nomination Committee, resolved that the Nomination Committee was to include two directors, both of whom are dependent in relation to the principal shareholder.

Beijer Alma makes every possible effort to apply standards and processes that ensure that its operations create long-term value for the Group's shareholders and other stakeholders. Strong, effective corporate governance within Beijer Alma includes a number of related components, which are described below.



SHAREHOLDERS AND THE SHARE

According to Euroclear Sweden AB's shareholder register, the number of shareholders at year-end 2015 was 8,443. The total number of shares was 30,131,100, of which 3,325,000 were Class A shares and 26,806,100 were Class B shares. Anders Wall, along with his family and companies, has a shareholding corresponding to 34.6 percent of the total number of votes in the company and the Anders Wall Foundation holds 18.4 percent. There are no other shareholders whose votes exceed 10 percent of the total number of votes.

Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. The Class B

share is listed on the Mid Cap list of Nasdaq Stockholm. All shares carry the same right to the company's assets and profit, and entitle the holder to the same dividend.

Beijer Alma's dividend policy is to distribute a minimum of one-third of its net earnings, always taking into consideration the Group's long-term financing needs.

ANNUAL GENERAL MEETING

The Annual General Meeting is the Group's highest decision-making body, in which the shareholders are entitled to make decisions on matters pertaining to Beijer Alma. The Annual General Meeting is to be held not more than six months after the end of the financial year. All shareholders who are registered in the shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and vote in accordance with their total shareholdings. The notice of the Meeting is published in the Swedish Official Gazette (Post- och Inrikes Tidningar), Dagens Industri, Upsala Nya Tidning and on the company's website. Shareholders who are unable to attend the Meeting may be represented by an authorized proxy. Each shareholder or proxy may be accompanied at the Meeting by up to two advisors.

A total of 516 shareholders participated in the Annual General Meeting on March 19, 2015, representing 55.8 percent of the total number of shares and 75.1 percent of the total number of votes. The minutes from the Annual General Meeting are available on Beijer Alma's website.

The resolutions passed by the Annual General Meeting included the following:

- To issue a dividend of SEK 8.50 per share.
- To re-elect Directors Carina Andersson, Marianne Brismar, Anders G. Carlberg, Peter Nilsson, Anders Ullberg, Anders Wall and Johan Wall, and to elect Caroline af Ugglas as a new director.
- To re-elect Anders Wall as Chairman of the Board and Johan Wall as Deputy Chairman.
- To pay each director a fee of SEK 300,000. To pay the Chairman of the Board a fee of SEK 900,000.
- Principles for remuneration and employment terms for senior executives.
- To re-elect the auditing firm Öhrlings PricewaterhouseCoopers AB for a period of one year.
- Election of the Nomination Committee.
- To authorize the Board to make decisions concerning share issues totaling not more than 3,000,000 Class B shares or convertible debentures corresponding to the same number of Class B shares.
- To permit Class A shareholders to convert their Class A shares to Class B shares.

NOMINATION COMMITTEE

The Nomination Committee prepares motions regarding, for example, the Board of Directors, auditors and fees for resolution by the Annual General Meeting. A Nomination Committee was appointed by the 2015 Annual General Meeting. The task of the Nomination Committee is to submit motions concerning the Board of Directors, the Chairman of the Board, directors' fees, the Chairman of the Annual General Meeting, the auditors, auditors' fees and the Nomination Committee ahead of the 2016 Annual General Meeting. The individuals appointed were Anders Wall, in his capacity as principal owner and Chairman of the Board, Director Johan Wall and three representatives of the next largest shareholders. These

representatives were Mats Gustafsson (Lannebo Fonder), Hans Ek (SEB Fonder) and Vegard Söraunet (Odin Fonder). If a change in ownership occurs or if one of the aforementioned individuals resigns from his or her position, the Nomination Committee may replace the committee member with a representative of the next largest owner.

The Chairman of the Board held individual discussions with each director to assess the work and competence requirements of the Board. These discussions were based on the directors' individual written responses to an in-depth survey presented in advance to each director by the Chairman of the Board. The Chairman of the Board provided the Nomination Committee with information about this assessment, as well as the company's operations and other relevant circumstances. The Nomination Committee's motions will be presented in the notice of the 2016 Annual General Meeting. The Nomination Committee held two meetings during the year.

BOARD OF DIRECTORS

According to the Swedish Companies Act, the Board of Directors is responsible for the organization and administration of the company, as well as for control of the Group's financial reporting, the management of funds and the company's financial conditions. The Board of Directors determines the Group's overall strategy, targets and policies. The Board also makes decisions regarding acquisitions, disposals and major investments. The Board approves the Group's annual reports and interim reports, and proposes dividends and guidelines for remuneration to senior management for resolution by the Annual General Meeting.

According to the Articles of Association, the Board is to comprise not fewer than seven and not more than ten regular members and not more than two deputy members elected by the Annual General Meeting. The Board currently comprises eight regular members. Salaried employees in the Group may also participate in Board meetings to present certain matters. The minutes of the Board meetings are taken by an independent legal counsel.

The composition of the Board is presented in the table below. Directors Anders Wall and Johan Wall represent shareholders controlling more than 10 percent of the votes and capital in the company.

In 2015, the Board held ten meetings during which minutes were taken. The attendance of the members of the Board at these meetings is presented in the table below. The following areas were addressed during the Board meetings: sales and profitability trend, objectives and strategies for the operations, acquisitions and other key investments. One of the meetings was held at one of Habia Cable's units, where local management presented the company's operations. One of the Board meetings focused on strategy issues. Beijer Alma's auditor reported his findings from the audit of the Group's accounts and internal control procedures at two Board

meetings. The auditor also provided information concerning accounting changes and their impact on Beijer Alma. The Board and President are presented in Note 2 on page 54 and on page 74 of the Annual Report.

The Board of Directors has adopted a written work plan that governs the following:

- A minimum of seven Board meetings in addition to the statutory meeting and when they are to be held;
- The date and content of notices of Board meetings;
- The items that are normally to be included in the agenda for each Board meeting;
- Minute-taking at Board meetings;
- Delegation of decisions to the President;
- The President's authority to sign interim reports.

This work plan is reviewed and updated annually. In addition, the division of duties between the Board and the President, as well as their responsibilities and authorities, are governed by a directive.

The Board has formal requirements pertaining to information about the performance of the Group and the individual companies. This has resulted in a monthly report that contains key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees.

REMUNERATION COMMITTEE

Directors Anders Wall, Anders G. Carlberg and Anders Ullberg were appointed to the Remuneration Committee from among the ranks of the Board. The Remuneration Committee prepares motions regarding the President's salary, bonus, pension benefits and other remuneration. The Committee also prepares principles for remuneration to Group management and approves motions by the President regarding remuneration to Group management within the framework of the guidelines adopted by the Annual General Meeting.

The company's remuneration principles and guidelines are described in Note 1, and the Board of Directors' recommendation to the Annual General Meeting is that these remain unchanged for 2016. The Remuneration Committee held two meetings in 2015, which were attended by all members.

AUDIT COMMITTEE

The Audit Committee comprises the entire Board of Directors.

CODE OF CONDUCT

The Group's focus on CSR continued during the year. The Group's values have been compiled in a Code of Conduct based on internationally accepted conventions. An updated brochure concerning the Group's Code of Conduct was distributed to all employees in 2015. This brochure contains e-mail addresses for reporting improprieties and other breaches of the Code of Conduct under the Group's whistleblower system.

BOARD OF DIRECTORS

Director	Elected in	Independent of major shareholders	Independent of the company	Remuneration Committee	Audit Committee	Participation in Board meetings	Holding of Class A shares	Holding of Class B shares
Anders Wall, Chairman	1992		X	X	X	10 (10)	1,921,600	1,591,520
Johan Wall, Deputy Chairman	1997		X		X	10 (10)		3,000
Carina Andersson, Director	2011	X	X		X	9 (10)		2,000
Marianne Brismar, Director	2010	X	X		X	10 (10)		10,000
Anders G. Carlberg, Director	1997	X	X	X	X	10 (10)		3,000
Peter Nilsson, Director	2008	X	X		X	9 (10)		3,000
Caroline af Ugglas, Director	2015	X	X		X	7 (8)		700
Anders Ullberg, Director	2007	X	X	X	X	10 (10)		15,000

The Code of Conduct focuses on people, the environment and ethics. For each of these areas, it describes the approach and values that apply at Beijer Alma. Additional information about the Group's CSR efforts is available on the website and on pages 10–11 of the printed Annual Report.

OPERATIONAL CONTROL

The President of Beijer Alma, Bertil Persson, is also the company's CEO and is responsible for the operational control of the Group. In addition to the President, Group management comprises the presidents of the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, as well as the Group's Chief Financial Officer and Controller. Group management is responsible for conducting Beijer Alma's operating activities in accordance with the Board's instructions and guidelines, and for ensuring that the Board's decisions are executed.

Beijer Alma's organization is decentralized. This is a conscious, strategic decision based on the fact that the Group's businesses are often local in nature and a conviction that it is best that decisions be made locally, near the issue in question. Beijer Alma's business operations are conducted through its subsidiaries Lesjöfors, Habia Cable and Beijer Tech. Lesjöfors's operations are organized into two business areas, Habia's into two business areas and Beijer Tech's into two business areas. The total number of profit centers in Beijer Alma is approximately 50. The Group's business organization is based on decentralized responsibility and authority, combined with fast and efficient reporting and control systems.

The subsidiaries' Boards of Directors comprise individuals from Group management. Habia's Board also includes external members. Work plans similar to the Parent Company's work plan have been prepared for the subsidiaries' Boards of Directors and written instructions are in place for the presidents of the subsidiaries. The subsidiaries are also governed by a number of policies and instructions that regulate the companies' operations, including the Code of Conduct, which is a key policy.

Beijer Alma is a holding company that manages three separate businesses, which makes it necessary for daily operational decisions to be made locally by the subsidiaries. Financial reporting in the Group is therefore very important in terms of corporate governance. A large part of the communication and discussions in the Group are based on internal financial reporting.

The subsidiaries report their order bookings, invoicing and stock of orders for each profit center on a weekly basis. Monthly financial statements are prepared for each profit center. These financial statements are analyzed at different levels in the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out in the system used for the consolidated financial statements. In addition to income statements and balance sheets, the monthly financial statements include key figures and other relevant information. In connection with the monthly financial statements, a meeting is held with the subsidiary management groups. The Group's financial statements are released to the market quarterly.

The essence of the Group's reporting and monitoring systems is that the systems should be characterized by decentralization and transparency. In each subsidiary, considerable focus is given to improving and streamlining the company's processes. The business systems are developed to make it easier to measure the profitability of individual businesses, customers, industries and geographic markets. The Group measures the efficiency of the various components of its production, administration and sales operations, and compares these with estimates, as well as earlier results and targets. The information gathered in this manner is used for internal benchmarking.

INTERNAL CONTROL

The Board of Directors' internal control responsibilities are governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The Code also contains requirements for external disclosure of information, which stipulate the manner in which the Group's internal control of financial reporting is to be organized.

The aim of the internal control of financial reporting is to establish reasonable security and reliability in the Group's external financial reporting to the market. Internal control is also intended to provide reasonable assurance that these financial reports are prepared in accordance with any prevailing legislation, applicable accounting standards and other rules for listed companies.

The Board of Directors has overall responsibility for the Group's internal control of financial reporting. The division of duties is regulated by the Board through a work plan. The Audit Committee, meaning the Board of Directors, is responsible for ensuring compliance with the policies for financial reporting and internal control, and that the required contact is maintained with the company's auditor.

The Board of Directors also conducts an ongoing, thorough review in which each subsidiary evaluates its own internal control.

Responsibility for the daily operational work involved in internal control of financial reporting is delegated to the President, who together with the Group's Chief Financial Officer and Controller, works with the subsidiary management groups to develop and strengthen the Group's internal control.

The basis of the internal control of financial reporting is the overall control environment. A well-functioning decentralized structure in which areas of responsibility and authority are clearly defined, conveyed and documented is a key component of the control environment. Standardized reporting instructions are applied by all units in the Group.

For the Group's internal control to function, it is important to identify and evaluate the most significant risks to which the Group's companies, business areas and processes are exposed. This risk analysis results in control objectives and activities designed to ensure that the Group's financial reporting fulfills the basic requirements.

Control activities are implemented during reporting and follow the structures of the reporting process and accounting organization. The employees at every profit center are responsible for accurate reporting and financial statements.

The financial statements are analyzed at the profit center, business area, subsidiary and Group levels. Extensive analysis of deviations is performed as part of these analyses. Deviations from estimates and expected results are analyzed, as are deviations from historical data and forecasts.

The operational follow-up that takes place at the Group level is a key component of Beijer Alma's internal control. Reviews take place at all levels to ensure that internal controls are performed. The Board is responsible for these reviews.

Taking into consideration the size, organization and financial reporting structure of the Group, the Board deems that no special internal audit function is warranted at present.

EXTERNAL AUDIT

At the 2015 Annual General Meeting, PricewaterhouseCoopers (PWC) was elected as auditor until the 2016 Annual General Meeting. PWC has audited the Group for more than 20 years. Leonard Daun was appointed as Chief Auditor.

PWC is the auditor for the Parent Company Beijer Alma AB, the Group and most of the other companies in the Group. The Group's auditor reports his observations at the Board meetings held to discuss the annual and interim financial statements.

The external audit is conducted in accordance with the International Standards of Auditing (ISA).

Revenues and earnings

GROUP

Demand was relatively weak in many of Beijer Alma's markets. The bright spots during the year were Lesjöfors's sales of chassis springs to the aftermarket and Habia's sales to the nuclear power industry. The general industrial economy was weak, and the sales volume to the engineering sector was roughly unchanged.

Order bookings rose 8 percent till MSEK 3,548 (3,282). Invoicing amounted to MSEK 3,522 (3,298), up 7 percent. Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings were unchanged, while invoicing declined 1 percent.

76 percent (74) of sales were conducted outside Sweden. The share of foreign sales was 88 percent (85) in Lesjöfors, 95 percent (95) in Habia and 29 percent (30) in Beijer Tech.

Operating profit totaled MSEK 477.3 (427.5) and the operating margin was 13.6 percent (13.0). Exchange rates and forward agreements had a positive impact of MSEK 23 on earnings compared with 2014. Profit after net financial items amounted to MSEK 466.9 (423.6), while net profit totaled MSEK 353.7 (319.3). Earnings per share totaled SEK 11.74 (10.60). In the past five years, the Group performed as follows:

MSEK	2015	2014	2013	2012	2011
Net revenues	3,522	3,298	3,066	2,780	2,830
Profit after net financial items	467	424	385	362	429
Net profit	354	319	289	269	313
Shareholders' equity	1,835	1,745	1,611	1,520	1,483
Total assets	2,870	2,744	2,548	2,395	2,201

SUBSIDIARIES

Lesjöfors is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. Order bookings rose 17 percent to MSEK 1,998 (1,714). Invoicing totaled MSEK 1,996 (1,728), up 16 percent. In comparable units and adjusted for fluctuations in exchange rates, order bookings increased 5 percent and invoicing 4 percent. Fluctuations in exchange rates had a positive impact of MSEK 15 on operating profit, which totaled MSEK 388 (320).

Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Adjusted for acquisitions and exchange rates, the volumes in Industry were unchanged. Delivering its strongest year to date, Chassis Springs grew 16 percent adjusted for exchange rates.

The acquisition in the US, which was completed on December 31, 2014, has performed well in terms of both volumes and profitability.

Habia Cable is a manufacturer of custom-designed cables. Order bookings amounted to MSEK 790 (786), while invoicing declined 3 percent to MSEK 765 (790). Fluctuations in exchange rates had a positive impact of 6 percent on order bookings and invoicing. Operating profit amounted to MSEK 99 (94). Fluctuations in exchange rates had a positive impact of MSEK 8 on operating profit.

Habia's sales to the telecom sector declined compared with the record-breaking year of 2014. Sales volumes to the nuclear power industry increased. Other customer segments remained largely unchanged.

Beijer Tech conducts industrial trading in two business areas: Industrial Products and Fluid Technology. Order bookings and invoicing fell 3 percent to MSEK 761 (782). Operating profit amounted to MSEK 18 (44).

Sales in the Industrial Products business area decreased, partly due to a weak market for the Norwegian company Norspray, which sells to the oil/gas sector. The Fluid Technology business area reported unchanged sales. New management was appointed in Beijer Tech during the year.

PARENT COMPANY

Beijer Alma AB is a holding company that does not conduct external invoicing, but instead owns and manages shares and participations in subsidiaries and is responsible for certain Group-wide functions. Net profit amounted to MSEK 288 (248) and included dividends and Group contributions from subsidiaries amounting to MSEK 322 (272).

CAPITAL EXPENDITURES

Investments in fixed assets, excluding corporate acquisitions, amounted to MSEK 136 (140), compared with depreciation totaling MSEK 111 (99). Of these investments, MSEK 66 was invested in Lesjöfors, MSEK 65 in Habia and MSEK 5 in Beijer Tech.

PRODUCT DEVELOPMENT

Costs for product development primarily pertain to specific orders and are therefore charged to the respective order and recognized as cost of goods sold.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to MSEK 251 (146) and included corporate acquisitions totaling MSEK 1 (115). Excluding corporate acquisitions, cash flow amounted to MSEK 252 (261).

Net debt, meaning interest-bearing liabilities less cash and cash equivalents, totaled MSEK 194 (190) at year-end. Net debt in relation to shareholders' equity (net debt/equity ratio) amounted to 10.9 percent (10.6). Available liquidity, which is defined as cash and cash equivalents plus approved but unutilized committed credit facilities, totaled MSEK 883 (836). The equity ratio was 64.0 percent (63.6).

RETURN ON CAPITAL EMPLOYED

The return on average capital employed was 21.7 percent (21.3), while the return on average shareholders' equity was 20.3 percent (19.7).

CORPORATE ACQUISITIONS

Only one minor asset-transfer acquisition was carried out during the year and this acquisition had a negligible impact on invoicing and profit.

EMPLOYEES

The number of employees was 2,262 (2,124), corresponding to an increase of 138. Lesjöfors's acquisition in the US on December 31, 2014, impacted the number of employees in 2015. The acquired company employs a total of 67 people. Lesjöfors and Habia conduct some manufacturing in China, Latvia, Slovakia, Poland and Mexico, where salary costs are lower. The number of employees in these countries increased by 97 to 736. The number of employees in Sweden was 697 (710).

Note 1 presents the number of employees in the various countries, as well as salaries and remuneration, and the principles adopted by the Annual General Meeting regarding salaries and remuneration for members of senior management.

OWNERSHIP CONDITIONS

Beijer Alma has approximately 8,500 shareholders (5,500). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.7 percent of the capital and 34.6 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 13.5 percent, SEB Fonder with 7.4 percent and Lannebo Fonder with 7.1 percent.

CORPORATE SOCIAL RESPONSIBILITY

In 2015, Beijer Alma joined the UN Global Compact initiative to promote and implement corporate social responsibility. Accordingly, the company has agreed to adhere to ten fundamental principles in the areas of human rights, labor conditions, the environment and anti-corruption.

The Code of Conduct, which is distributed to all employees, helps to guide the company in its efforts. The Code was updated in 2015 and now includes a whistleblowing system that can be used by the employees to anonymously report any suspected improprieties.

The areas encompassed by corporate social responsibility include:

- Applying sound business principles and high ethical standards
- Creating a safe, healthy and stimulating work environment
- Increasing energy efficiency and reducing environmental impact, waste and other environmental impacts
- Looking at the company's operations from a life cycle perspective – raw materials, suppliers, products, services and customers
- Involvement in the communities where the company operates

This work is carried out in cooperation with customers, suppliers, authorities, society, shareholders and investors.

Group-wide sustainable development targets were established in 2013. These targets have gradually become more ambitious and are linked to the UN global development goals presented in 2015.

RISKS AND UNCERTAINTIES

Beijer Alma's risks include business and financial risks. Business risks may include significant customer dependence on specific companies, industries or geographic markets. Financial risks primarily pertain to foreign currency risks.

Management of the Group's financial risks is described in Note 30. To manage the business risks, strategic work is carried out to broaden the customer base in terms of industry, customer and geography. Beijer Alma is deemed to have a favorable risk spread across customers, industries and geographic markets. According to the Group's assessment, no significant risk arose during the year.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events occurred after the end of the financial year.

OUTLOOK FOR 2016

Overall, the trends experienced by the Beijer Alma Group in 2015 are expected to continue into the beginning of 2016. Operations that are impacted by the industrial economy are expected to deliver a rather weak performance, while other operations, such as Lesjöfors's Chassis Springs business area and Habia's nuclear power cables, are expected to display stronger trends. The signals from Habia's telecom customers are also more positive than they were in early 2015.

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

SEK 000s	
Retained earnings	10,987
Net profit for the year	288,080
Total	299,067

to be appropriated as follows:

Ordinary dividend to shareholders of SEK 9.50 per share	286,245
To be carried forward	12,822

BOARD OF DIRECTORS' STATEMENT CONCERNING THE PROPOSED DIVIDEND

After the proposed dividend, the Parent Company's equity ratio will amount to 64 percent and the Group's equity ratio to 57 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate.

In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other Group companies from fulfilling their capital expenditures. Accordingly, the proposed dividend can be justified in accordance with the provisions in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the "prudence rule").

Amounts in SEK 000s	Note	Group		Parent Company	
		2015	2014	2015	2014
Net revenues	3,4	3,521,876	3,298,160	–	–
Cost of goods sold	1,8,9	–2,367,794	–2,229,052	–	–
Gross profit		1,154,082	1,069,108	0	0
Selling expenses	1,8,9	–366,056	–343,349	–	–
Administrative expenses	1,5,8,9	–313,252	–300,809	–45,771	–40,991
Other operating income and operating expenses	6	–20	650	18,200	18,200
Profit from participations in associated companies	7	2,519	1,893	–	–
Operating profit/loss	8,9	477,273	427,493	–27,571	–22,791
Income from participations in Group companies	10	–	–	270,000	246,000
Interest income		1,014	6,571	612	607
Interest expenses		–11,436	–10,508	–946	–793
Profit after net financial items		466,851	423,556	242,095	223,023
Group contributions received		–	–	57,122	37,000
Group contributions paid		–	–	–5,007	–11,037
Tax on net profit for the year	11	–113,134	–104,264	–6,130	–1,234
Net profit attributable to Parent Company shareholders		353,717	319,292	288,080	247,752
Other comprehensive income					
Income/expenses recognized directly against shareholders' equity					
Cash-flow hedges after tax		12,586	–4,659	–	–
Translation differences		–19,653	60,308	–	–
Total other comprehensive income		–7,067	55,649	0	0
Total comprehensive income pertains in its entirety to items that may be reclassified to profit or loss					
Total profit attributable to Parent Company shareholders		346,650	374,941	288,080	247,752
Net earnings per share before and after dilution, SEK	12	11.74	10.60	–	–
Proposed/adopted dividend per share, SEK		–	–	9.50	8.50

	Note	Group		Parent Company	
Amounts in SEK 000s		2015	2014	2015	2014
ASSETS					
Fixed assets					
<i>Intangible assets</i>					
Goodwill	13	498,398	534,384	–	–
Other intangible assets	14	10,171	12,203	–	–
<i>Tangible assets</i>					
Land and land improvements	15	41,209	40,404	–	–
Buildings	16	212,831	223,224	–	–
Plant and machinery	17	466,294	443,662	–	–
Equipment, tools, fixtures and fittings	18	37,954	39,701	1,142	1,125
Deferred tax assets	28	18,652	25,558	–	–
<i>Financial assets</i>					
Other long-term receivables		7,056	8,590	–	–
Participations in associated companies	19	21,676	19,252	–	–
Participations in Group companies	20	–	–	532,196	532,196
Total fixed assets		1,314,241	1,346,978	533,338	533,321
Current assets					
Inventories	21	673,298	636,481	–	–
<i>Receivables</i>					
Accounts receivable	22	550,283	500,695	–	–
Tax assets		–	–	–	4,108
Receivables from Group companies		–	–	367,009	322,885
Other receivables	23	31,390	33,885	2	27
Prepaid expenses and accrued income	24	48,394	34,390	500	904
Cash and cash equivalents	25	252,179	191,295	9,326	1,372
Total current assets		1,555,544	1,396,746	376,837	329,296
Total assets		2,869,785	2,743,724	910,175	862,617

Amounts in SEK 000s	Note	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	26				
Share capital		125,546	125,546		
Other contributed capital		444,351	444,351		
Reserves		25,799	32,866		
Retained earnings, including net profit for the year		1,239,592	1,141,989		
Shareholders' equity attributable to Parent Company shareholders		1,835,288	1,744,752		
Non-controlling interests		3,656	3,808		
Total shareholders' equity		1,838,944	1,748,560		
Share capital				125,546	125,546
Statutory reserve				444,351	444,351
Total restricted equity				569,897	569,897
Retained earnings				10,987	19,349
Net profit for the year				288,080	247,752
Total non-restricted equity				299,067	267,101
Total shareholders' equity				868,964	836,998
Non-current liabilities					
Provisions	27	–	36,220		
Deferred tax	28	54,263	46,749		
Pension obligations	29	2,037	1,842		
Liabilities to credit institutions	30	205,997	229,077		
Total non-current liabilities		262,297	313,888		
Current liabilities					
Committed credit facilities	30	183,913	86,693	19,083	5,969
Liabilities to Group companies		–	–	7,606	6,886
Accounts payable		185,722	185,246	1,013	909
Tax liabilities		11,854	20,104	772	–
Accrued expenses and deferred income	31	263,792	266,355	12,296	11,284
Liabilities to credit institutions	30	56,321	65,304	–	–
Other current liabilities	32	66,942	57,574	441	571
Total current liabilities		768,544	681,276	41,211	25,619
Total shareholders' equity and liabilities		2,869,785	2,743,724	910,175	862,617
Pledged assets	33	651,215	589,869	13,381	13,381
Contingent liabilities	34	16,652	6,091	–	–

Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. profit	Total	Non-controlling interest	Total shareholders' equity
December 31, 2013	125,546	444,351	-22,783	1,063,746	1,610,860	3,596	1,614,456
Net profit for the year				319,292	319,292		319,262
Other comprehensive income			55,649		55,649		55,649
Dividend paid				-241,049	-241,049		-241,049
Non-controlling interests (translation difference)					0	212	212
December 31, 2014	125,546,	444,351	32,866	1,141,989	1,744,752	3,808	1,748,560
Net profit for the year				353,717	353,717		353,717
Other comprehensive income			-7,067		-7,067		-7,067
Dividend paid				-256,114	-256,114		-256,114
Non-controlling interests (translation difference)					0	-152	-152
December 31, 2015	125,546	444,351	25,799	1,239,592	1,835,288	3,656	1,838,944

Parent Company	Share capital	Statutory reserve	Retained earnings	Net profit for the year	Total shareholders' equity
December 31, 2013	125,546	444,351	39,121	221,277	830,295
Reclassification of net profit for the preceding year			221,277	-221,277	0
Dividend paid			-241,049		-241,049
Net profit for the year				247,752	247,752
December 31, 2014	125,546	444,351	19,349	247,752	836,998
Reclassification of net profit for the preceding year			247,752	-247,752	0
Dividend paid			-256,114		-256,114
Net profit for the year			288,080		288,080
December 31, 2015	125,546	444,351	299,067	0	868,964

Proposed dividend of SEK 9.50 per share, totaling 286,245.

Amounts in SEK 000s	Note	Group	Parent Company
		2015	2014
Operating activities			
Operating profit/loss		477,273	427,493
Net interest paid and other financial items	35	-9,572	-2,656
Income tax paid		-119,755	-99,294
Items not affecting cash flow	36	108,060	95,777
Net cash generated from operating activities before change in working capital and capital expenditures		456,006	421,320
Change in inventories		-36,817	-69,065
Change in receivables		-54,119	-3,318
Change in current liabilities		-1,819	53,644
Cash flow from operating activities		363,251	402,581
Investing activities			
Investments in tangible assets		-117,703	-137,521
Investments in intangible assets		-2,147	-
Change in other financial assets		8,440	-3,884
Acquisitions of companies less cash and cash equivalents	37	-	-115,165
Cash flow from investing activities		-111,410	-256,570
Cash flow after capital expenditures		251,841	146,011
Financing activities			
Increase in liabilities/new loans		156,008	158,079
Repayment		-90,851	-125,532
Dividend paid		-256,114	-241,049
Cash flow from financing activities		-190,957	-208,502
Change in cash and cash equivalents		60,884	-62,491
Cash and cash equivalents at beginning of year		191,295	253,786
Cash and cash equivalents at end of year	25	252,179	191,295
Unutilized committed credit facilities		630,834	644,989
Available liquidity		883,013	836,284

All amounts in SEK 000s unless otherwise stated.

TOTALRY OF KEY ACCOUNTING POLICIES

The key accounting policies applied in the preparation of these consolidated financial statements are stated below. Unless otherwise specified, these policies were applied for all of the years presented.

Basis for the preparation of the report

Beijer Alma's consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups, as well as the International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) adopted by the EU. The consolidated financial statements were prepared according to the cost method, except in the case of certain financial assets and liabilities (including derivative instruments) measured at fair value in profit or loss.

New and amended standards applied by the Group

None of the amended standards that were applicable in 2015 had an impact on Beijer Alma's accounting policies or disclosures.

New standards, amendments and interpretations of existing standards not applied in advance by the Group

A number of new standards and interpretations will take effect in financial years starting after January 1, 2015 and were not applied during the preparation of this financial report. None of these standards or interpretations are expected to have a material impact on the consolidated financial statements, with the exception of the following:

IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014 and replaces the sections of IAS 39 pertaining to the classification and measurement of financial instruments. IFRS 9 retains a mixed measurement model, but simplifies this model in certain respects. The standard establishes three measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument is classified depends on the entity's business model and the characteristics of the instrument. Investments in equity instruments are to be recognized at fair value through profit or loss, although an option also exists to initially recognize the instrument at fair value through other comprehensive income. No reclassification to profit or loss will occur when the instrument is sold. IFRS 9 also introduces a new model for calculating credit loss reserves based on expected credit losses. For financial liabilities, no changes were made with respect to classification and measurement except in the event that a liability is recognized at fair value through profit or loss based on the fair value alternative. In such cases, changes in value attributable to changes in own credit risk are to be recognized in other comprehensive income.

IFRS 9 relaxes the requirements for applying hedge accounting by replacing the 80–125 rule with a requirement that there be an economic relationship between the hedging instrument and the hedged item and that the hedged ratio be the same as the one used for risk management purposes. Minor changes have also been made with respect to hedging documentation compared with those prepared under IAS 39. The standard is to be applied to financial years beginning on or after January 1, 2018. Advance application is permitted. The Group has not yet assessed the impact of the implementation of this standard.

IFRS 15 Revenue from Contracts with Customers regulates how revenue is to be recognized. The principles of IFRS 15 are intended to provide users of financial statements with more usable information about the entity's revenue. The expanded disclosure requirements stipulate that information must be provided regarding the type of revenue, date of settlement, uncertainties associated with revenue recognition and cash flow attributable to the entity's customer contracts. In accordance with IFRS 15, revenue is to be recognized when the customer gains control of the pre-sold goods or services and is able to use or benefit from the goods or services.

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and all associated SIC and IFRIC Interpretations.

IFRS 15 will take effect on January 1, 2018. Advance application is permitted. The Group has not yet assessed the impact of the implementation of this standard.

IFRS 16 Leases. In January 2016, the IASB published a new standard for leases that will replace IAS 17 Leases and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognized in the balance sheet. This method of recognition is based on the view that the lessee has the right to use the asset in question for a specific period of time, as well as an obligation to pay for this right. The recognition method for the lessor will, in all material respects, remain unchanged. The standard is to be applied to financial years beginning on or after January 1, 2019. Advance application is permitted. The EU has not yet adopted this standard. The Group has not yet assessed the impact of IFRS 16.

No other IFRS or IFRIC Interpretations that have not yet taken effect are expected to have a material impact on the Group.

Key estimates and assumptions for accounting purposes

Preparation of the accounts in accordance with IFRS requires the use of a number of key estimates for accounting purposes. Management is also required to make certain assumptions when applying the Group's accounting policies. The following are areas involving a high rate of assessment, complex areas or areas in which assumptions and estimates are of material importance:

Assumptions regarding impairment testing of goodwill

The Group tests goodwill for impairment annually in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 13. Forecasts concerning future cash flows are based on the best possible estimates of future income and operating expenses. The impairment tests performed indicated a need for impairment of goodwill of MSEK 36.2. The impairment testing performed was based on a margin with a carrying amount that, according to management's assessment, will not exceed its value in use following the aforementioned impairment as a result of any reasonable changes in individual variables. According to management's assessment, even a certain variation in key variables will not result in an impairment requirement, with the exception of the cash-flow generating unit Norspray, in which reasonable changes in assumptions will not result in a significant change in impairment requirements for the Group. Goodwill amounted to MSEK 498.4.

Accounts receivable

Receivables are recognized in a net amount after provisions are made for doubtful accounts receivable, which are assessed on an individual basis. The net value reflects the anticipated collectible amounts based on the known circumstances on the balance-sheet date. Changes to these circumstances, such as an increase in the scope of non-payments or changes to a significant customer's financial position, may result in deviations in valuation. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable. Accounts receivable totaled MSEK 550.3.

Disputes

Beijer Alma becomes involved in disputes in the course of its normal business activities. Such disputes may concern product liability, alleged faults in deliveries of goods or other issues in connection with Beijer Alma's operations. Disputes can be costly and time-consuming and can disrupt the company's normal business activities. At present, no disputes are considered to be of material significance.

Cash flow

The cash-flow statement was prepared in accordance with the indirect method. Recognized cash flow only includes transactions involving payments and disbursements. Cash and cash equivalents include cash and bank balances and short-term financial investments with a term of less than three months.

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The Group's annual accounts were prepared in accordance with the purchase method. The purchase consideration for an acquired subsidiary comprises the fair value of the transferred assets, liabilities and shares that were issued by the Group. The purchase consideration also includes the fair value of all assets and liabilities arising as a result of an agreement concerning a conditional purchase consideration. Each conditional purchase consideration to be transferred by the Group is recognized at fair value on the acquisition date. In accordance with IAS 39, subsequent changes in the fair value of a conditional purchase consideration classified as an asset or liability are recognized either in profit or loss or in other comprehensive income. Conditional purchase considerations classified as shareholders' equity are not remeasured and subsequent settlements are recognized in shareholders' equity. Acquisition-related costs are expensed as incurred. Identifiable acquired assets and assumed liabilities arising from a business combination are initially measured at fair value on the acquisition date based on a market valuation performed at the time of acquisition. The shareholders' equity of acquired subsidiaries is eliminated in its entirety, which means that consolidated shareholders' equity only includes the portion of the subsidiaries' shareholders' equity that is earned after the acquisition.

If the business combination is completed in several steps, the previous shareholders' equity interests in the acquired company are remeasured at fair value on the acquisition date. Any gain or loss arising as a result of the remeasurement is recognized in profit or loss.

If the consolidated cost of the shares exceeds the value of the company's identifiable acquired net assets as indicated in the acquisition analysis, the difference is recognized as consolidated goodwill. Acquisition-related costs are expensed as incurred. Intra-Group transactions, balance-sheet items and intra-Group gains or losses are eliminated in their entirety.

All transactions with owners without a controlling influence are recognized in shareholders' equity, provided that they do not result in any change to the controlling influence. These transactions do not give rise to goodwill, gains or losses. For each acquisition – that is, on an acquisition-by-acquisition basis – the Group determines whether non-controlling interest in the acquired company is to be recognized at fair value or at the shareholding's proportional share of the carrying amount of the acquired company's identifiable net assets.

Where applicable, the accounting policies for subsidiaries have been amended to ensure that the Group's policies are applied in a consistent manner.

Translation of foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company conducts its primary operations (functional currency). In the consolidated financial statements, SEK is used, which is the Parent Company's functional currency and reporting currency. Balance sheets and income statements for the subsidiaries in the Group are translated at the closing day rate and the average rate for the year, respectively. Translation differences are recognized in other comprehensive income.

Goodwill and fair-value adjustments that arise during the acquisition of a foreign operation are treated as assets and liabilities in the operation in question and are translated at the closing day rate.

	Significant foreign exchange rates	Year-end rates		Average rate	
	Dec 31, 2015	Dec 31, 2014	2015	2014	
USD	8.35	7.81	8.30	6.92	
EUR	9.14	9.52	9.40	9.14	
GBP	12.38	12.14	13.00	11.40	

Reporting of associated companies

Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has a significant but not controlling influence, which generally involves shareholdings of 20 to 50 percent.

Participations in associated companies are recognized in the consolidated financial statements in accordance with the equity method and are initially measured at cost.

The Group's share in the post-acquisition earnings of an associated company is recognized in profit or loss and its share of changes in other comprehensive income after the acquisition is recognized in other comprehensive income. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the holding. When the Group's share in the losses of an associated company amounts to, or exceeds, the Group's holding in the associated company, the Group does not recognize further losses.

Unrealized internal gains are eliminated against the share of gains accruing to the Group. Unrealized losses are also eliminated.

Profit shares in associated companies are recognized on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are recognized after tax.

At the end of each reporting period, the Group assesses whether or not there is objective evidence that indicates an impairment requirement for its investments in associated companies. If such evidence exists, the Group calculates the impairment amount as the difference between the recoverable amount and carrying amount of the associated company, and recognizes this amount in profit or loss under "Profit from participations in associated companies."

Segment reporting

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, the President and CEO is responsible for making strategic decisions. Beijer Alma's segments comprise the Group's operating sectors: Lesjöfors (Industrial Springs), Habia Cable (custom-designed cables) and Beijer Tech (technology trading).

Revenue recognition

The Group's net revenues comprise the fair value of the amount that has been or will be received from the sale of goods in the Group's operating activities. Beijer Alma recognizes revenues when the risk associated with the goods has been transferred to the customer, pursuant to the terms and conditions of sale, and when receipt of payment for the related accounts receivable is deemed probable, meaning when the income can be measured in a reliable manner and it is probable that the company will gain

future financial benefits. The Group bases its assessments on past results, taking into consideration the type of customer, the type of transaction, and specific circumstances in each individual case.

Overall experience is used to assess and make provisions for rebates and returns. Sales are recognized net after value-added tax, rebates, returns, translation differences resulting from sales in foreign currencies and the elimination of intra-Group sales.

Interest income

Interest income is recognized distributed over the maturity period using the effective interest method.

Borrowing costs

Borrowing costs are charged against the earnings for the period to which they are attributable, provided that they do not pertain to borrowing costs directly attributable to the purchase, design or production of an asset that takes a significant amount of time to prepare for use or sale. In such cases, any borrowing costs are capitalized as part of the cost of the asset.

Tax

Deferred tax is calculated according to the balance-sheet method for all temporary differences arising between the carrying amount and tax value of assets and liabilities. However, deferred tax liabilities are not recognized if they arise as a result of the initial recognition of goodwill.

Loss carryforwards that can be utilized against probable future gains are capitalized as deferred tax assets. This applies to accumulated tax loss carryforwards on the acquisition date and to losses that arise thereafter.

Valuation is performed using the tax rates in effect on the balance-sheet date in the countries in which the Group conducts operations and generates taxable income. Deferred tax is recognized in the balance sheet as a financial asset or non-current liability. Tax expenses for the year comprise current tax and deferred tax. Tax is recognized in profit or loss, except when the tax pertains to items recognized in other comprehensive income or directly in shareholders' equity. In such cases, the tax is also recognized in other comprehensive income or shareholders' equity.

If the actual outcome differs from the amount initially recognized, such differences will impact the provisions for current tax and deferred tax, as well as net profit for the year. Deferred tax is calculated on temporary differences arising from participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Intangible assets

The Group's intangible assets primarily comprise goodwill. Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries and the fair value of any non-controlling interests exceed the fair value of the company's net assets as indicated in the acquisition analysis on the acquisition date. Goodwill from the acquisition of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level within Habia and Lesjöfors and at the subsidiary level within the operating segment Beijer Tech. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash-generating unit to which the goodwill is attributable is compared to the recoverable amount, which is the higher of value in use and the fair value less selling expenses. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Goodwill is allocated on the acquisition date to cash-flow generating units that are expected to profit from the business combination that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, refer to Note 13.

Contractual customer relations and licenses that have been acquired through business combinations are recognized at fair value on the acquisition date. The contractual customer relations and licenses have a definable useful life and are recognized at cost less accumulated amortization. Beijer Alma applies the following estimated useful lives:

Other intangible assets 5–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is depreciated to its recoverable amount.

Amortization is applied straight-line to distribute the cost over the estimated useful life of the asset.

Research and product development

When costs are incurred for product development, such costs are immediately expensed.

According to a strict definition, essentially no research and development is conducted within the Group. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Moreover, these expenses do not amount to significant amounts.

Tangible assets

Tangible assets, including office and industrial buildings, are recognized at cost after deductions for accumulated depreciation. Land is recognized at cost without depreciation.

The cost includes expenses directly related to the acquisition of the asset. Additional expenditures are added to the carrying amount of the asset or are recognized as a separate asset, depending on which approach is deemed most appropriate, provided that it is probable that the future financial benefits associated with the asset will fall to the company and the cost of the asset can be measured in a reliable manner. The carrying amount of the reimbursed portion is derecognized from the balance sheet. Expenses for repair and maintenance are recognized as expenses. In profit or loss, operating profit is charged with straight-line depreciation based on the difference between the costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

Office buildings used in operations	25–40 years
Industrial buildings used in operations	20–40 years
Plant and machinery	2–10 years
Equipment, tools, fixtures and fittings	2–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is depreciated to its recoverable amount.

Capital gains and losses are determined by comparing the selling price and the carrying amount. Capital gains and losses are recognized in profit or loss.

Leasing agreements

Leasing agreements pertaining to fixed assets in which the Group essentially bears the same risks and enjoys the same benefits as in the case of direct ownership are classified as financial leasing. Financial leasing is recognized at the beginning of the leasing period at the lower of the fair value of the leasing object and the present value of the minimum leasing fees. Financial leasing agreements are recognized in the balance sheet as fixed assets or financial liabilities. Future leasing payments are distributed between amortization of the liability and financial expenses so that each accounting period is charged with an interest amount that corresponds to a fixed interest rate for the liability recognized during each period. Leasing assets are depreciated during the shorter of the useful life of the asset (according to the same principles as other assets of the same class) and the leasing period. In profit or loss, costs associated with the leasing agreement are allocated to depreciation and interest.

Leasing of assets in which the lessor essentially remains the owner of the asset is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period. Operational leasing agreements are recognized in profit or loss as an operating expense. Leasing of automobiles and personal computers is normally defined as operational leasing. The value of these leasing agreements is not deemed to be significant.

Impairment

Assets with an indefinite useful life, such as goodwill and land, are not depreciated or amortized; instead, such assets are tested annually for impairment. For depreciated assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. Impairment is performed per cash-flow generating unit. For assets other than financial assets and goodwill, for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be reversed.

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and fair value (net selling price) on the balance-sheet date. Proprietary finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on production volumes. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective valuation is applied for homogeneous groups of goods. Interest expenses are not included in the valuation of inventories.

A deduction is made for intra-Group gains arising when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made

Financial instruments

The Group classifies its financial assets according to the following categories: loans and receivables and available-for-sale financial assets. Classification depends on the purpose for which the financial asset was acquired. Management determines the classification when the financial asset is first recognized and reviews this decision at every reporting occasion.

Purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Group undertakes to purchase or sell the asset. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed essentially all risks and benefits connected with the right of ownership.

Loans and receivables

Loans and receivables are financial assets that are not derivatives, that have fixed or fixable payments and that are not listed in an active market. They are included in current assets with the exception of items with maturity dates more than 12 months after the balance-sheet date, which are classified as fixed assets. Loans and receivables are classified as accounts receivable and other current or long-term receivables in the balance sheet and are initially recognized at fair value plus transaction costs. Loans and receivables are thereafter recognized at amortized cost using the effective interest method. A provision for depreciation is recognized when there is objective evidence that indicates that the recognized amount will not be received.

Cash and cash equivalents are defined as cash and bank balances and short-term investments with a maturity period not exceeding three months from the acquisition date. Cash and cash equivalents are initially recognized at fair value and thereafter at amortized cost.

Available-for-sale financial assets

Available-for-sale financial assets are assets that are not derivatives and are either identified as available or cannot be classified in any of the other categories. These assets are included in fixed assets if management does not intend to dispose of them within 12 months of the balance-sheet date. These assets are measured at fair value and any changes in value are recognized directly in shareholders' equity. An impairment loss is recognized when objective evidence indicates that impairment is required. Upon disposal of the asset, accumulated gains/losses, which were previously recognized in shareholders' equity, are recognized in profit or loss. Investments in equity instruments that do not have a listed market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Derivative instruments and hedge accounting

Derivative instruments are recognized in the balance sheet on the contract date and are measured at fair value, both initially and in the event of subsequent remeasurement. The recognition method to be used for gains or losses arising as a result of remeasurement depends on whether or not the derivative was identified as a hedging instrument, and if so, the character of the hedged item.

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objectives with regard to risk management and the risk strategy for the hedge. The Group also documents its assessments, both initially and on an ongoing basis, of whether the derivative instruments used in hedging transactions are effective in mitigating changes in fair value or cash flows attributable to the hedged items.

Accumulated amounts of shareholders' equity are reversed to profit or loss in the period in which the hedged item impacts earnings (for example, when the hedged forecast sale occurs). The gains or losses attributable to the ineffective portion are recognized in profit or loss. Beijer Alma utilizes derivative instruments to cover risks associated with exchange-rate fluctuations. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. Beijer Alma applies hedge accounting for contracts that fulfill the criteria for hedging in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used are effective.

Hedge accounting means that the unrealized gains and losses that arise when hedging instruments are valued at market value and that fulfill the conditions for hedge accounting are recognized in other comprehensive income. Refer also to Note 30.

Share capital

Ordinary shares are classified as shareholders' equity. Transaction costs that are directly attributable to issues of new shares or options are recognized in shareholders' equity, in a net amount after tax, as a deduction from the proceeds of the issue.

Accounts payable

Accounts payable are initially recognized at fair value and thereafter at amortized cost using the effective interest method.

Borrowing

Borrowing is initially recognized at fair value in a net amount after transaction costs. Borrowing is thereafter recognized at amortized cost and any difference between the amount received and the amount repaid is recognized in profit or loss distributed over the borrowing period using the effective interest method. Bank overdrafts are recognized as borrowings among current liabilities in the balance sheet.

Provisions

Provisions are recognized in the balance sheet under current and non-current liabilities when the Group has a legal or informal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are valued at the present value of the amount expected to be required to settle the obligation. The Group uses a pre-tax discount rate that reflects a current market estimate of the time-dependent value of the funds and the risks associated with the provision. Any increase in the provision attributable to the passage of time is recognized as an interest expense.

Employee benefits

The Group utilizes defined-contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit pension plans are ITP plans that are insured with Alecta. These plans are recognized as defined-contribution plans since Alecta is unable to provide the necessary information. Refer also to Note 1.

A defined-contribution plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group has no legal or information obligations to pay additional contributions in the event that this legal entity lacks the necessary assets to pay all employee benefits associated with the employee's work during the current period or earlier periods. A defined-benefit plan is a pension plan that is not a defined-contribution plan. Defined-benefit plans are unique in that they state an amount for the pension benefit to be received by an employee after retirement, normally based on one or several factors, such as age, period of service and salary. In the event that a pension commitment are covered through the holding of endowment insurances, this asset is considered a plan asset, meaning that the asset and liability offset one another.

The Group's payments relating to pension plans are recognized as an expense during the period in which the employees performed the services to which the payment pertains.

Dividend

Dividends are recognized as liabilities after they are approved by the Annual General Meeting.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements, insofar as this is possible within the framework of the Swedish Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The differences between the Group and Parent Company accounting policies are described below.

Participations in Group companies and associated companies

Shares and participations in subsidiaries and associated companies are recognized at cost after deducting any impairment losses. Cost includes acquisition-related costs and any additional purchase considerations. Dividends received are recognized as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or that cause the carrying amount of the holding's net assets in the consolidated financial statements to fall below the carrying amount of the participations are an indication of the need for impairment.

In the event of an indication that shares and participations in subsidiaries or associated companies have declined in value, a calculation is made of the recoverable amount. If this amount is lower than the carrying amount, an impairment is performed. Impairment losses are recognized in the items "Profit from participations in Group companies" or "Profit from participations in associated companies."

Dividends

Dividend income is recognized when the right to receive payment is deemed secure.

Financial instruments

Fixed financial assets are measured at cost less any impairment losses, and current financial assets at the lower of cost or market value.

Leased assets

In the Parent Company, all leasing agreements are recognized in accordance with the rules for operational leasing.

Group contributions and shareholders' contributions for legal entities

Group contributions are recognized in the Parent Company as an appropriation.

Note 1 Employees

Job location	Average number of employees	
	2015	2014
SWEDEN		
<i>Parent Company</i>		
Uppsala	2	2
Stockholm	4	4
<i>Subsidiaries</i>		
Filipstad	109	107
Gothenburg	56	54
Hallstahammar	4	4
Halmstad	13	13
Helsingborg	13	13
Herrljunga	54	52
Karlstad	17	17
Lidköping	0	3
Ljungby	17	21
Luleå	2	2
Malmö	39	42
Mönsterås	35	34
Skellefteå	4	4
Stockholm	92	92
Tierp	163	172
Värnamo	47	49
Växjö	26	25
Total Sweden	697	710

Of whom, 526 (543) are men and 171 (167) are women.

	Men	Women	Total 2015	Men	Women	Total 2014
Total Sweden	526	171	697	543	167	710
OUTSIDE SWEDEN						
China	205	220	425	158	209	367
Denmark	50	18	68	52	16	68
Finland	28	6	34	29	6	35
France	4	3	7	4	2	6
Germany	331	114	445	319	111	430
Hong Kong	3	4	7	2	5	7
Latvia	57	54	111	58	49	107
Mexico	18	5	23	0	0	0
Netherlands	3	2	5	3	2	5
Norway	19	4	23	19	4	23
Poland	23	32	55	22	26	48
Russia	9	4	13	8	4	12
Slovakia	70	52	122	67	50	117
UK	146	47	193	142	47	189
US	31	3	34	0	0	0
Total outside Sweden	997	568	1,565	883	531	1,414
Total	1,523	739	2,262	1,426	698	2,124

Of the total of 2,262 employees (2,124), 1,523 (1,426) are men and 739 (698) are women.

Salaries, remuneration and social security contributions

Group

In the Group's Swedish units, remuneration was expensed as follows:

	2015	2014
Salaries/fees, President and Board	37,493	34,256
of which, variable salary, President and Board	7,982	5,996
Social security contributions, President and Board	18,397	18,489
of which, pension costs	7,319	7,472
Salaries, other	296,721	291,151
Social security contributions, other	124,799	114,754
of which, pension costs	27,647	23,062

Salaries and expenses outside Sweden were expensed as follows:

2015 Group	Salary	of which, variable salary	Social security contrib.	President/Board of which, pension costs	Salary	Other Social security contrib.
China	1,034	–	–	–	45,466	12,948
Denmark	5,491	423	394	383	31,090	2,429
Finland	3,242	186	721	261	13,299	2,939
France	–	–	–	–	3,647	1,739
Germany	6,985	383	719	25	154,428	29,199
Hong Kong	–	–	–	–	4,701	1,824
Latvia	1,171	82	214	–	13,292	3,139
Mexico	–	–	–	–	1,482	330
Netherlands	–	–	–	–	3,960	860
Norway	2,747	125	470	87	11,952	3,365
Poland	–	–	–	–	6,545	1,216
Russia	470	47	88	59	1,037	299
Slovakia	1,140	–	145	–	13,424	2,694
UK	5,420	685	899	287	57,210	5,553
US	2,312	152	474	186	17,779	6,640
Total salaries and remuneration	30,012	2,083	4,124	1,288	379,312	75,174
Total salaries and remuneration in Sweden according to the above	37,493	7,982	18,397	7,319	296,721	124,799
Total Group	67,505	10,065	22,521	8,607	676,033	199,973

2014 Group	Salary	of which, variable salary	Social security contrib.	President/Board of which, pension costs	Salary	Other Social security contrib.
China	958	131	–	–	29,438	8,124
Denmark	5,089	170	368	361	29,806	2,314
Finland	3,151	151	685	253	12,699	2,835
France	–	–	–	–	3,336	1,627
Germany	7,110	201	560	21	143,207	27,364
Hong Kong	–	–	–	–	1,947	408
Latvia	1,190	80	200	–	10,473	2,466
Netherlands	–	–	–	–	3,473	896
Norway	2,435	98	589	126	12,538	3,653
Poland	–	–	–	–	9,001	933
Russia	544	63	81	25	1,720	337
Slovakia	629	–	5	–	11,740	2,618
UK	5,803	650	1,004	371	51,594	4,783
Total salaries and remuneration	26,909	1,544	3,492	1,157	316,686	58,358
Total salaries and remuneration in Sweden according to the above	34,256	5,996	18,489	7,472	291,151	114,754
Total Group	61,165	7,540	21,981	8,629	607,837	173,112

Parent Company	2015	2014
Salaries/fees, President and Board	11,923	11,403
of which, variable salary, President and Board	3,180	3,087
Social security contributions, President and Board	5,615	5,232
of which, pension costs	2,305	2,237
Salaries, other	7,170	6,599
Social security contributions, other	3,824	3,402
of which, pension costs	1,480	1,263

Defined-benefit pension plans

For salaried employees in Sweden, defined-benefit pension commitments for retirement and family pension under the ITP 2 plan are secured through an insurance policy with Alecta. According to statement UFR 3 Classification of ITP plans financed by insurance in Alecta, issued by the Swedish Financial Reporting Board, this is a multi-employer defined-benefit pension plan. The Group's share of the total fees for the plan is approximately 0.03 percent. For the 2015 financial year, the company did not have access to sufficient information to enable it to recognize its proportional share of the plan commitments, plan assets and expenses, which meant that the plan could not be recognized as a defined-benefit plan. Accordingly, the ITP 2 pension plan, which is secured through insurance with Alecta, was recognized as a defined-contribution pension plan. The premium for the defined-benefit retirement and family pension plan is calculated on an individual basis, taking into consideration such factors as salary, previously accrued pension and expected remaining period of service. The fees for ITP 2 insurance for 2016 are expected to amount to about MSEK 9.

The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is normally permitted to vary between 125 and 155 percent. Should Alecta's collective consolidation level be below 125 percent or above 155 percent, measures are to be taken to create the necessary conditions to ensure the consolidation level returns to the normal interval. In the event of a low consolidation level, one such measure may be to raise the contracted price for taking out new insurance or extending existing benefits. In the event of a high consolidation level, it may be necessary to implement premium reductions. At the end of the third quarter of 2015, the preliminary collective consolidation level was 148 percent (December 31, 2014: 143).

Terms of employment and remuneration to senior executives

Principles

It is proposed that the following principles, which are unchanged compared with the preceding year, be adopted by the 2016 Annual General Meeting. No deviations occurred from these principles.

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. The Annual General Meeting also passes resolutions regarding remuneration and terms of employment for members of senior management.

No special fees are paid for committee work. No fees are paid to Group employees for work as directors of subsidiaries.

Remuneration to the President and members of senior management comprises basic salary, including company car benefits, variable salary and pension costs. Members of senior management include the President, the presidents of the three subsidiaries, the Group's Chief Financial Officer and the Group's Controller.

The distribution between basic salary and variable salary shall be proportional to the individual's responsibilities and authority. For the President, the ceiling for variable salary is maximized at 100 percent of basic salary, excluding company car benefits. For other members of senior management, the ceiling for variable salary is maximized at between 50 and 100 percent of basic salary, excluding company car benefits. Variable salary is based on actual performance in relation to individually established goals.

Pension benefits and company car benefits for the President and other members of senior management are paid as part of the total remuneration.

Remuneration and benefits in 2015

	Directors' fee/basic salary, incl. company car benefits	Variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2015)				
Anders Wall	900			900
Carina Andersson	300			300
Marianne Brismar	300			300
Anders G. Carlberg	300			300
Peter Nilsson	300			300
Caroline af Ugglas	300			300
Anders Ullberg	300			300
Johan Wall	300			300
Senior management (six people)	18,106	8,575	4,301	30,982
of which, President	5,667	3,180	1,855	10,702
Total	21,106	8,575	4,301	33,982

During 2015, Carina Andersson, Marianne Brismar, Peter Nilsson and Anders G. Carlberg invoiced their fees through their own companies, plus social security contributions. This did not entail a cost for Beijer Alma.

Comments on the table

Members of the Group's senior management have only defined-contribution pension plans. Pension costs refer to the costs charged against net profit for the year.

TERMS OF EMPLOYMENT**President**

The period of notice is 24 months if employment is terminated by the company and nine months if employment is terminated by the employee.

Remuneration and benefits in 2014

	Directors' fee/basic salary, incl. company car benefits	Variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2015)				
Anders Wall	900			900
Carina Andersson	300			300
Marianne Brismar	300			300
Anders G. Carlberg	300			300
Peter Nilsson	300			300
Anders Ullberg	300			300
Johan Wall	300			300
Senior management (six people)	16,972	6,511	5,927	29,410
of which, President	5,803	3,087	1,801	10,691
Total	19,672	6,511	5,927	32,110

Termination salary is not to be offset against other income. The retirement age is 65. Pension premiums are paid by the company in an amount corresponding to 35 percent of basic salary, excluding company car benefits.

Other members of senior management

If employment is terminated by the company, the period of notice varies between 12 and 24 months. In the event that employment is terminated by the employee, the period of notice is six months. Termination salary is offset against remuneration from other employers. The retirement age is 65 in all cases. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of basic salary, excluding company car benefits.

Note 2 Board of directors

Anders Wall. Education: Studies at the Stockholm School of Economics. Med Dr h.c., Econ Dr h.c., Consul General. Director since: 1992. Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, the Consul Th. C. Bergh Foundation and Domarbo Skog AB. Director of: Hargs Bruk Holding AB, the Anders Wall Professor of Entrepreneurship Foundation, Sturebadet Holding AB and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of Agriculture and Forestry (KSLA).

Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest 1964–1981 and Chairman of the Board 1981–1983 (after merger with AB Volvo). President and CEO of Investment AB Beijer 1983–1992. Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Groupe Bruxelles Lambert, Pargesa and others.

Carina Andersson. Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm. Director since: 2011. Director of: Systemair AB, SinterCast AB and Gränges AB. Earlier positions: Sandvik Materials Technology AB, President of Ramnäs Bruk AB and President of Scania Ramnäs AB. Has resided in China since 2011.

Marianne Brismar. Education: Pharmacist, Master of Business Administration from the University of Gothenburg School of Business, Economics and Law. Director since: 2010. Director of: Axel Johnson International AB, Concentric AB, Creades AB, Lindab AB, Semcon AB and JOAB AB. Earlier positions: CEO of Atlet AB (1995–2007).

Anders G. Carlberg. Education: Master of Business Administration. Director since: 1997. Chairman of: Gränges and Herenco. Director of: Axfast AB, Sweco AB, Investment AB Latour, Recipharm and others. Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International, Executive Vice President of SSAB.

Peter Nilsson. Education: Master of Engineering from the Institute of Technology at Linköping University. President and CEO of Trelleborg AB.

Director since: 2008. Director of: Trelleborg AB, Trioplast Industrier AB, the Chamber of Commerce and Industry of Southern Sweden and others. Earlier positions: Business Area President and other assignments within the Trelleborg Group, Management Consultant at BSI.

Caroline af Ugglas. Education: Economics degree from Stockholm University. Director since: 2015. Deputy General Director of the Confederation of Swedish Enterprise. Director of: Acando Group, AMF Pension and Member of the Swedish Corporate Governance Board. Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia.

Anders Ullberg. Education: Master of Business Administration from the Stockholm School of Economics. Director since: 2007. Chairman of: Boliden, Eneqvist Consulting, Mercur Solutions, Natur & Kultur and Studsvik. Director of: Atlas Copco, Valedo Partners and Åkers. Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group. Earlier positions: President and CEO of SSAB, Vice President and CFO of SSAB, CFO of Svenska Varv.

Johan Wall. Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University. President of Beijerinvest AB. Deputy Director: 1997–2000. Director since: 2000. Director of: The Crafoord Foundation, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, Uppsala University and others. Earlier positions: President of Bisnode AB, Enea AB, Framfab AB and Netsolutions AB.

Bertil Persson. Education: Master of Business Administration from the Stockholm School of Economics. President and CEO of Beijer Alma AB. Deputy Director: 2000–2001, 2002–2015. Director: 2001–2002. Earlier positions: Head of Treasury at Investor AB, Director of Finance at Scania AB and Executive Vice President of LGP Telecom AB.

Note 3 Net revenues

SEK 000s	2015	2014
Sweden	847,175	858,617
Other EU	1,765,347	1,671,228
Other Europe	274,277	262,980
Asia	417,096	419,086
Rest of the world	217,981	86,249
Total	3,521,876	3,298,160

In addition to Sweden, the countries in which Beijer Alma generates its greatest net revenues are:

MSEK	2015	2014
Germany	570	582
UK	373	303
China	242	297
US	193	61
Denmark	158	139
Norway	124	171

Note 4 Segment reporting

The operating segments are determined based on the information processed by Group management and used to make strategic decisions.

The operating segments comprise Beijer Alma's sub-groups: Lesjöfors (industrial springs), Habia Cable (custom-designed cables) and Beijer Tech (industrial trading). Lesjöfors and Habia conduct proprietary manufacturing and product development. Each segment is responsible for its own administration and marketing. Each sub-group is headed by a president, who is a member of Group management.

"Other" refers to the Parent Company, which is a holding company that does not conduct external invoicing, as well as a number of small subsidiaries that do not conduct any operations. Operating profit is the income measure monitored by Group management.

Any inter-segment sales take place on commercial terms. No individual customer accounts for more than 5 percent of the Group's income.

2015	Lesjöfors	Habia	Beijer Tech	Other (Parent) Company, etc.)	Eliminations	Total
Segment income	1,995.9	765.1	760.6	0.3	–	3,521.9
Inter-segment sales	–	–	–	–	–	0.0
Income from external customers	1,995.9	765.1	760.6	0.3	0.0	3,521.9
Operating profit/loss	388.4	99.0	17.5	–27.6	–	477.3
Financial income	0.7	–	0.3	270.6	–270.6	1.0
Financial expenses	–7.4	–2.9	–0.8	–0.9	0.6	–11.4
Profit/loss after net financial items	381.7	96.1	17.0	242.1	–270.0	466.9
Appropriations	–57.0	5.0	–	52.1	–0.1	0.0
Tax	–79.0	–24.1	–4.0	–6.1	–	–113.2
Net profit	245.7	77.0	13.0	288.1	–270.1	353.7
Operating profit/loss includes:						
Depreciation/amortization	77.2	25.0	8.0	0.3	0.1	110.6
Share of profit/loss in associated companies	2.6	–	–	–	–	2.6
Assets	1,709.6	625.2	389.4	908.7	–763.1	2,869.8
Liabilities	658.4	268.9	182.7	39.7	–115.2	1,034.5
of which, interest-bearing	276.5	100.5	52.0	19.1	–1.9	446.2
Cash funds (included in assets)	221.1	17.1	6.7	9.3	–2.0	252.2
Net debt	55.4	83.4	45.3	9.8	0.1	194.0
Investments in tangible assets	66.3	64.4	5.1	–	–	135.8
Sales outside Sweden, %	87.7	94.7	28.9	–	–	75.9

2014	Lesjöfors	Habia	Beijer Tech	Other (Parent) Company, etc.)	Eliminations	Total
Segment income	1,725.7	790.2	782.1	0.2	–	3,298.2
Inter-segment sales	–	–	–	–	–	0.0
Income from external customers	1,725.7	790.2	782.1	0.2	0.0	3,298.2
Operating profit/loss	319.5	93.6	44.1	–29.7	–	427.5
Financial income	6.3	–	0.5	246.6	–246.8	6.6
Financial expenses	–5.3	–4.1	–1.1	–0.8	0.8	–10.5
Profit/loss after net financial items	320.5	89.5	43.5	216.1	–246.0	423.6
Appropriations	–37.0	11.0	–	26.0	–	0.0
Tax	–66.6	–26.9	–11.1	–1.2	1.5	–104.3
Net profit	216.9	73.6	32.4	240.9	–244.5	319.3
Operating profit/loss includes:						
Depreciation/amortization	68.4	21.0	8.5	0.3	0.5	98.7
Share of profit/loss in associated companies	1.9	–	–	–	–	1.9
Assets	1,614.8	576.7	416.4	886.2	–750.4	2,743.7
Liabilities	642.3	234.1	187.4	25.6	–94.3	995.1
of which, interest-bearing	278.0	70.7	27.3	6.0	–0.9	381.1
Cash funds (included in assets)	149.4	35.9	5.6	1.4	–1.0	191.3
Net debt	128.6	34.8	21.7	4.6	0.1	189.8
Investments in tangible assets	104.0	31.3	3.9	0.8	–	140.0
Sales outside Sweden, %	84.7	94.6	29.7	–	–	74.0

Assets distributed by geographic region (MSEK)

Group	2015	2014
Sweden	1,292.8	1,266.9
Other EU	1,024.0	973.9
Other Europe	58.0	72.2
Rest of the world	145.1	121.2
Asia	349.9	309.5
Total	2,869.8	2,743.7

Note 5 Administrative expenses

Administrative expenses include the following auditors' fees:

	2015	Group 2014	2015	Parent Company 2014
<i>PwC</i>				
Audit assignment	3,803	3,981	491	462
Auditing activities in addition to audit assignment	1,045	1,118	337	407
Tax consultancy	44	166	4	41
Other services	368	617	113	147
<i>Other auditors</i>				
Audit assignment	2,090	1,833	–	–
Other assignments	486	375	–	–
Total	7,836	8,090	945	1,057

Costs for product development totaling 12,906 (10,011) are included in the Group's administrative expenses. These amounts pertain to product development costs that could not be attributed to specific customer orders.

Note 6 Other operating income and operating expenses

Group	2015	2014
Goodwill impairment	–36,240	–26,316
Reversal of provisions	36,220	27,384
Additional purchase consideration paid	–	–500
Other	–	82
Total	–20	650

Note 7 Profit from participations in associated companies

Group	2015	2014
<i>Share of profit from:</i>		
Hanil Precision Co Ltd	2,519	1,893
Total	2,519	1,893

Note 8 Operating profit

Operating profit has been charged with depreciation and amortization as follows:

Group	2015	2014
Plant and machinery	79,202	66,640
Equipment, tools, fixtures and fittings	13,595	14,942
Buildings	13,366	12,304
Land improvements	334	326
Other intangible assets	4,062	4,526
Total	110,559	98,738

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by 38 (36).

Group	2015	2014
<i>Costs distributed by type of cost</i>		
Material costs	1,477,157	1,410,819
Costs for employee benefits (Note 1)	966,032	868,381
Development costs not charged to respective orders	12,906	10,011
Depreciation, amortization and impairment (Note 8, 13)	110,559	98,738
Costs for operational leasing (Note 9)	54,838	49,232
Other costs	425,630	430,843
Total	3,047,122	2,868,024

Note 9 Operational leasing

Operating profit was charged with costs for operational leasing as follows:

	2015	Group 2014	2015	Parent Company 2014
Leasing costs for the year	54,838	49,232	1,932	2,017
<i>Future minimum leasing payments fall due as follows:</i>				
Within one year	47,395	43,004	2,041	1,992
After more than one year, but within five years	81,411	91,030	5,059	4,020
After more than five years	–	–	–	–
Total	128,806	134,034	7,100	6,012

The majority of costs pertain to lease agreements for operating premises.

Note 10 Income from participations in group companies

Parent Company	2015	2014
<i>Anticipated dividend from:</i>		
Beijer Tech AB	20,000	30,000
Habia Cable AB	64,000	60,000
Lesjöfors AB	186,000	156,000
Total	270,000	246,000

Note 11 Tax on net profit for the year

	2015	Group 2014	2015	Parent Company 2014
Current tax for the period	–109,364	–102,968	–6,130	–1,250
<i>Deferred tax pertaining to:</i>				
– untaxed reserves	1,465	–818	–	–
– provisions	–5,842	–271	–	–
– current tax attributable to earlier years	–	–207	–	16
Total	–113,741	–104,264	–6,130	–1,234

Difference between tax expense and 22.0 percent

	2015	Group 2014	2015	Parent Company 2014
Profit before tax	466,851	423,556	294,210	248,986
22 percent of this amount	–102,707	–93,182	–64,726	–54,777
Tax for the period	–113,134	–104,264	–6,130	–1,234
Difference	–10,427	–11,082	58,596	53,543

Specification of difference

	2015	Group 2014	2015	Parent Company 2014
Effect of:				
– tax attributable to earlier years	–	–427	–	–
– foreign tax rates	–4,388	–4,135	–	–
– non-deductible items	–6,525	–6,831	–806	–594
– non-taxable income	375	1,042	59,402	54,121
Foreign withholding tax	–	–	–	–
Other	111	–731	–	16
Total	–10,427	–11,082	58,596	53,543

The Group's weighted average tax rate was 24.4 percent (24.6).

Cash-flow hedges after tax are recognized in other comprehensive income. A tax expense of 3,550 was recognized in 2015 and tax revenues of 1,325 pertaining to cash-flow hedges were recognized in 2014. There are no other tax effects in other comprehensive income.

Note 12 Earnings per share

Group	2015	2014
Profit used for calculating earnings per share		
Net profit for the year attributable to Parent Company shareholders	353,717	319,292
Number of shares	30,131,100	30,131,100

Since there are no outstanding programs regarding convertibles or options, the number of shares before and after dilution is the same.

Note 13 Goodwill

Group	2015	2014
Opening cost	618,624	547,716
Acquisitions ¹⁾	656	66,166
Reclassification	149	–
Translation differences	–8,787	4,742
Closing accumulated cost	610,642	618,624
Opening impairment	84,240	57,925
Impairment for the year	36,240	26,315
Translation differences	–8,237	–
Closing accumulated impairment	112,243	84,240
Carrying amount	498,399	534,384

¹⁾ Group	2015	2014
Acquisition of assets and liabilities in Grad Tek	656	–
Acquisition of assets and liabilities in Sandvik Material Technology's motor spring operations	–	66,166
Total	656	66,166

The Group's total recognized goodwill is allocated to the operating sectors as follows:

Group	2015	2014
Lesjöfors	190,540	186,182
Habia Cable	51,834	53,782
Beijer Tech	256,024	294,420
Total	498,398	534,384

Lesjöfors and Habia are cash-generating units. The individual companies in Beijer Tech are cash-generating units and goodwill for these units is presented in the following table

Beijer Tech	2015	2014
Beijer Tech AB	146,341	146,341
Lundgrens Sverige AB	57,034	57,034
Beijer Industri AB	3,950	3,950
Preben Z Jensen A/S	22,892	24,018
Norspray AS	14,091	52,162
Karlebo Gjuteriteknik AB	9,358	9,358
PMU AB	1,396	1,396
Beijer A/S	962	161
Total	256,024	294,420

Impairment tests for goodwill

The value of goodwill is tested annually using impairment tests or more often if there are indications of a decline in value. Testing is carried out for each individual cash-generating unit. Lesjöfors and Habia Cable are integrated operations and thus the business areas comprise cash-generating units. The companies in Beijer Tech are independent and thus each company comprises a cash-generating unit.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projections. Established budgets were used for 2016, and values were extrapolated for the coming four years based on a growth rate of between 1 and 2 percent. Key assumptions include:

- Budgeted gross margins and operating margins
- Growth rate for the periods after the budget period
- Selected discount rate after tax

Forecast gross margins and operating margins have been established by management based on Historical outcomes and expectations and plans in the approved budgets. For the period after the forecast period, a growth rate of between 1 and 2 percent has been used. A growth rate of 2 percent was used in the testing for 2014. The discount rate for 2015 is based on a risk-free interest rate, the market risk premium and a company-specific risk premium. A discount rate of 7.1 percent was used for the companies in Beijer Tech, 7.3 percent for Habia Cable and 7.9 percent for Lesjöfors. The differences in rates are due to individual risk profiles. The same discount rates were used in 2014.

The impairment tests did not indicate an impairment requirement with the exception of Norspray, as specified below. A sensitivity analysis was conducted, whereby future growth after the budget period was halved and the discount rate raised by 1 percentage point. These assumptions did not indicate an impairment requirement with the exception of Norspray.

The impairment testing of goodwill related to Norspray resulted in a goodwill impairment charge of MSEK 36.2. This testing was performed through a calculation of value in use. A weighted average cost of capital (WACC) of 7.1 percent was used. The sluggish market for oil/gas is reflected

in the growth rate after the budget period. Although a certain earnings improvement is forecast, this will mainly be the result of reduced costs.

Beijer Tech acquired Norspray A/S in 2012. The company, which operates in Western Norway, sells and rents surface treatment equipment, mainly to customers in the gas and oil industry. In accordance with the agreement, 60 percent of the company was acquired in 2012, and the remaining 40 percent will be acquired following the close of 2015. The price for the remaining 40 percent will be dependent on the company's earnings performance until the close of 2015. In accordance with the prevailing accounting principles, the additional purchase consideration was valued at fair value on the acquisition date in 2012. Due to deteriorating market conditions, the company's earnings were lower than the level estimated in the original acquisition analysis and the forecast future cash flows have been adjusted downward.

As a result of this weak earnings trend, no additional purchase consideration is to be paid. This means that the provision for this purchase consideration, which was entered as a liability, has been fully reversed in an amount of MSEK 36.2. Since the impairment of goodwill and release of the provision for the additional purchase consideration pertain to essentially the same issue, they have been recognized under other operating income and operating expenses.

In 2014 and 2015, goodwill items in Beijer Tech were impaired as follows:

Beijer Tech	2015	2014
Norspray	36,240	26,316
Total	36,240	26,316

Note 14 Other intangible assets

Group	2015	2014
Opening cost	34,259	32,761
Purchases	2,091	1,477
Sales and disposals	-978	-
Reclassification	-	9
Translation differences	-121	12
Closing accumulated cost	35,251	34,259
Opening amortization	21,038	16,753
Sales and disposals	-978	-
Reclassification	-1	-
Amortization for the year	4,062	4,297
Translation differences	-59	-12
Closing amortization	24,062	21,038
Opening impairment	1,018	1,018
Translation differences	-	-
Closing impairment	1,018	1,018
Carrying amount	10,171	12,203

The assets comprise acquired customer relations and software licenses.

Note 15 Land and land improvements

Group	2015	2014
Opening cost	43,126	31,165
Purchases	2,060	7,744
Translation differences	-912	4,217
Closing accumulated cost	44,274	43,126
Opening depreciation	2,653	2,327
Depreciation for the year	334	326
Translation differences	18	9
Closing accumulated depreciation	3,005	2,662
Opening impairment	60	60
Impairment for the year	-	-
Closing accumulated impairment	60	60
Carrying amount	41,209	40,404

Note 16 Buildings

Group	2015	2014
Opening cost	391,278	339,281
Purchases	7,303	43,599
Sales and disposals	-500	-
Translation differences	-6,297	8,398
Closing accumulated cost	391,784	391,278
Opening depreciation	166,884	152,652
Sales and disposals	-291	-
Depreciation for the year	13,366	12,241
Translation differences	-1,967	1,991
Closing accumulated depreciation	177,992	166,884
Opening impairment	1,170	961
Sales and disposals	-209	-
Impairment for the year	-	209
Closing accumulated impairment	961	1,170
Carrying amount	212,831	223,224

Note 17 Plant and machinery

Group	2015	2014
Opening cost	1,187,144	1,031,725
Purchases	101,287	112,444
Sales and disposals	-31,990	-5,051
Through acquisitions of subsidiaries	9,272	11,753
Reclassification	-7,441	-6,487
Translation differences	-6,469	42,760
Closing accumulated cost	1,251,803	1,187,144
Opening depreciation	738,097	641,898
Sales and disposals	-32,023	-4,329
Acquisitions of subsidiaries	-	5,107
Reclassification	1,706	1,542
Depreciation for the year	79,202	67,377
Translation differences	-6,858	26,502
Closing accumulated depreciation	780,124	738,097
Opening impairment	5,385	5,385
Impairment for the year	-	-
Closing accumulated impairment	5,385	5,385
Carrying amount	466,294	443,662

Financial leasing agreements

The Group's plant and machinery includes financial leasing agreements as follows:

Group	2015	2014
Cost	15,039	15,152
Remaining residual value	2,230	7,049

Future minimum leasing payments fall due as follows:

Group	2015	2014
Within one year	1,866	2,428
After more than one year, but within five years	364	4,621
Total	2,230	7,049
Future financial expenses for financial leasing	-30	-394
Present value of liabilities pertaining to financial leasing	2,200	6,655

Present value of financial leasing costs are as follows:

Group	2015	2014
Within one year	1,847	2,403
Between one and five years	353	4,252
Total	2,200	6,655

Note 18 Equipment, tools, fixtures and fittings

	2015	Group 2014	2015	Parent Company 2014
Opening cost	154,872	148,460	2,583	2,460
Purchases	19,205	16,235	55	179
Acquisitions of subsidiaries	–	256	–	–
Sales and disposals	–15,416	–9,200	–	–56
Reclassification	–9,495	–6,534	–	–
Translation differences	–2,237	5,655	–	–
Closing accumulated cost	146,929	154,872	2,638	2,583
Opening depreciation	113,652	105,758	1,458	1,440
Acquisitions of subsidiaries	–	–581	–	–
Sales and disposals	–8,096	–8,669	–	–18
Reclassification	–8,359	–259	–	–
Depreciation for the year	13,594	14,865	38	36
Translation differences	–3,335	2,538	–	–
Closing accumulated depreciation	107,456	113,652	1,496	1,458
Opening impairment	1,519	1,519	–	–
Reclassification	–	–	–	–
Translation differences	–	–	–	–
Closing accumulated impairment	1,519	1,519	0	0
Carrying amount	37,954	39,701	1,142	1,125

Note 19 Participations in associated companies

Group	Share of equity, %	Registered office	2015	Carrying amount 2014
Hanil Precision Co Ltd	20	Pusan, South Korea	21,676	19,252
Total			21,676	19,252

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 163 (128) and an operating margin of 8 percent (4). In 2015, Lesjöfors purchased gas springs from Hanil for MSEK 15 (15). These purchases were conducted on market terms.

Group	2015	2014
Opening value	19,252	17,354
Share in profit after tax	2,519	1,893
Reclassification	–	–
Translation difference	–95	5
Reversal of impairment loss	–	–
Carrying amount	21,676	19,252

Groups share as of December 31, 2014 (MSEK)	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	22.0	7.0	–	2.9

Note 20 Participations in Group companies

Parent Company	Corp. Reg. No	Number	Registered office	Carrying amount	Adjusted share equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	100,000	1,051,238 ¹⁾
Habia Cable AB	556050-3426	500,000	Täby, Sweden	95,576	356,305 ²⁾
Beijer Tech AB	556650-8320	50,000	Malmö, Sweden	333,324	206,721 ³⁾
AIHUK AB	556218-4126	9,000	Uppsala, Sweden	289	1,196
AB Stafsjö Bruk	556551-9005	1,000	Uppsala, Sweden	185	179
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala, Sweden	977	1,430
Beijer Alma Utvecklings AB	556230-9608	145,000	Uppsala, Sweden	1,846	2,082
Total				532 197	

1) Before anticipated dividend to the Parent Company in the amount of 186,000.

2) Before anticipated dividend to the Parent Company in the amount of 64,000.

3) Before anticipated dividend to the Parent Company in the amount of 20,000.

All companies are wholly owned.

Lesjöfors is a spring producer, Habia Cable manufactures custom-designed cables, Beijer Tech conducts industrial trading. These companies comprise independent segments. Other companies are dormant.

Parent Company	2015	2014
Opening cost	526,366	526,366
Closing cost	526,366	526,366
Opening write-ups	8,218	8,218
Write-ups for the year	–	–
Closing write-ups	8,218	8,218
Opening impairment	2,387	2,387
Impairment for the year	–	–
Closing impairment	2,387	2,387
Carrying amount	532,197	532,197

Subsidiary shareholdings in Group companies	Corp. Reg. No.	Percentage stake	Registered office	Carrying amount
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden	9,532
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden	24,000
Lesjöfors Stockholms Fjädrar AB	556062-9890	100	Stockholm, Sweden	24,619
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga, Sweden	10,500
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo, Sweden	28,103
Stece Fjädrar AB	556753-6114	100	Mönsterås, Sweden	6,000
Lesjöfors A/S		100	Copenhagen, Denmark	56,603
Lesjöfors A/S		100	Oslo, Norway	53
Oy Lesjöfors AB		100	Åminnefors, Finland	1,000
Lesjöfors Springs Oy		100	Turku, Finland	1,492
Lesjöfors Springs Ltd.		100	Elland, UK	316
Lesjöfors Automotive Ltd.		100	Elland, UK	774
Lesjöfors Springs GmbH		100	Hagen, Germany	44,693
Lesjöfors Springs LV		100	Liepaja, Latvia	992
Lesjöfors Gas Springs LV		70	Liepaja, Latvia	6,764
Lesjöfors China Ltd		100	Changzhou, China	3,070
Lesjöfors Springs Russia		100	Moscow, Russia	6,460
European Springs & Pressings Ltd		100	Beckenham, UK	56,353
Harris Springs Ltd		100	Reading, UK	2,455
Velleuer GmbH & Co. KG		100	Velbert, Germany	44,247
Stumpp + Schüle GmbH		100	Beuren, Germany	65,306
Lesjöfors Deutschland GmbH		100	Velbert, Germany	33,584
Centrum B		100	Myjava, Slovakia	10,755
Lesjöfors Springs America Inc		100	Scranton, US	31,240
Habia Cable BV		100	Breda, Netherlands	1,020
Habia Cable Asia Ltd		100	Hong Kong, China	55
Habia Cable China Ltd		100	Changzhou, China	11,402
Habia Kabel GmbH		100	Düsseldorf, Germany	29,797
Habia Cable Inc.		100	New Jersey, US	0
Habia Kabel Produktions GmbH & Co. KG		100	Norderstedt, Germany	81,295
Habia Cable Ltd.		100	Bristol, UK	3,614
Habia Cable SA		100	Orléans, France	679
Habia Cable Latvia SIA		100	Liepaja, Latvia	0
Habia Cable Sp Zoo		100	Dulole, Poland	7,450
Alma Uppsala AB	556480-0133	100	Uppsala, Sweden	6,354
Daxpen Holding AB	556536-1457	100	Stockholm, Sweden	6,061
BCB Baltic AB	556649-7540	100	Stockholm, Sweden	422
Beijer Industri AB	556031-1549	100	Malmö, Sweden	22,246
Lundgrens Sverige AB	556063-3504	100	Gothenburg, Sweden	51,299
AB Tebeco	556021-1442	100	Halmstad, Sweden	6,538
Beijer AS		100	Drammen, Norway	4,324
Beijer OY		100	Helsinki, Finland	4,092
Preben Z Jensen A/S		100	Hedehusene, Denmark	32,683
Karlebo Gjuteriteknik AB	556342-0651	100	Sollentuna, Sweden	15,033
Norspray AS		100	Stavanger, Norway	31,946

Note 21 Inventories

Group	2015	2014
Raw materials	222,170	205,824
Products in progress	82,488	76,606
Finished goods	368,640	354,051
Total	673,298	636,481

Value of the portion of inventories measured at net selling price:

Group	2015	2014
Raw materials	15,713	11,207
Products in progress	12,065	1,361
Finished goods	56,055	29,397
Total	83,833	41,965

Difference between cost and net selling price:

Group	2015	2014
Raw materials	7,164	8,794
Products in progress	1,220	969
Finished goods	13,790	14,463
Total	22,174	24,226

The expenditure for inventories was expensed under the item "Cost of goods sold" and amounted to 1,477,157 (1,410,819).

Note 22 Accounts receivable

Group	2015	2014
Total outstanding accounts receivable	564,048	514,137
Provisions for doubtful receivables	-13,765	-13,442
Carrying amount	550,283	500,695
Group	2015	2014
Past due amounts	97,390	80,818
of which, past due by more than 30 days	36,329	20,971
of which, past due by more than 90 days	7,401	6,970
Provisions for doubtful receivables	13,765	13,442

On December 31, 2015, a total of 22,564 in accounts receivable, for which there existed no provision for doubtful receivables, was more than 30 days past due.

Provisions for doubtful receivables

Group	2015	2014
Opening balance	13,442	16,557
Provisions for the year	4,911	2,520
Reversal of earlier provisions	-3,941	-1,415
Write-offs of receivables	-647	-4,220
Closing balance	13,765	13,442

Historically, the Group has had a low level of bad debt losses. The risk spread across companies, industries and geographic markets is favorable. No individual customer has a significant impairment requirement. According to the Group's assessment, the provision for doubtful receivables will adequately cover any future impairment requirements. The maximum exposure to credit risk for accounts receivable amounted to 550,283 (500,695). The fair value corresponds with the carrying amount.

Note 23 Other receivables

	2015	Group 2014	2015	Parent Company 2014
Value-added tax	10,730	7,571	-	-
Advance payments to suppliers	10,743	10,244	-	-
Other	9,917	16,070	2	27
Total	31,390	33,885	2	27

Note 24 Prepaid expenses and accrued income

	2015	Group 2014	2015	Parent Company 2014
Leasing and rental fees	13,363	7,216	121	526
Accrued interest income	307	–	–	–
Prepaid expenses	19,476	11,029	379	378
Forward agreements	6,440	–	–	–
Accrued commission	2,086	1,846	–	–
Other	6,722	14,299	–	–
Total	48,394	34,390	500	904

Note 25 Cash and cash equivalents

	2015	Group 2014	2015	Parent Company 2014
Cash and bank balances	252,179	191,295	9,326	1,372
Total	252,179	191,295	9,326	1,372

Note 26 Shareholders' equity

Group	Translation reserve	Hedging reserve	Total
December 31, 2013	–19,879	–2,904	–22,783
Change in value of hedging reserve	–	–5,984	–5,984
Tax thereon	–	1,325	1,325
2014 translation difference	60,308	–	60,308
December 31, 2014	40,429	–7,563	32,866
Change in value of hedging reserve	–	16,136	16,136
Tax thereon	–	–3,550	–3,550
2015 translation difference	–19,653	–	–19,653
December 31, 2015	20,776	5,023	25,799

The company's shares are Class A and Class B shares and are issued as follows:

	Shares		Votes
Class A shares	3,325,000	at 10 votes	33,250,000
Class B shares	26,806,100	at 1 vote	26,806,100
Total	30,131,100		60,056,100

The quotient value is SEK 4.17 per share. All shares are paid in full.

Share capital trend

Year		Increase in share capital, SEK 000s	Total share capital, SEK 000s	Increase in number of shares	Total number of shares
1993	Opening balance	–	53,660	–	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB in Stockholm	6,923	60,583	276,900	2,423,300
1993	New issue	30,291	90,874	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1996	Conversion of subordinated debenture loan	47	95,921	1,875	3,836,825
1997	Conversion of subordinated debenture loan	2,815	98,736	112,625	3,949,450
1998	Conversion of subordinated debenture loan	1,825	100,561	73,000	4,022,450
2000	Conversion of subordinated debenture loan	30	100,591	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag AB	11,750	112,341	470,000	4,493,650
2001	Split 2:1	–	112,341	4,493,650	8,987,300
2001	Conversion of subordinated debenture loan	388	112,729	31,000	9,018,300
2002	Conversion of subordinated debenture loan	62	112,791	5,000	9,023,300
2004	Conversion of subordinated debenture loan	1,505	114,296	120,400	9,143,700
2006	Split 3:1	–	114,296	18,287,400	27,431,100
2010	Non-cash issue in connection with acquisition of Beijer Tech AB	11,250	125,546	2,700,000	30,131,100

The 2015 Annual General Meeting authorized the Board of Directors to issue a maximum of 3,000,000 Class B shares in connection with corporate acquisitions. This authorization is valid until the next Annual General Meeting and has not been exercised.

Note 27 Provisions

In conjunction with the completion of corporate acquisitions, provisions were made for expected future additional purchase considerations. These are contingent on the future earnings performance of the acquired companies. The acquisitions were carried out in the Beijer Tech Group.

Acquired company/assets and liabilities	2015	2014
Norspray AS	–	36,220
Total	0	36,220

As of December 31, 2014, the additional purchase consideration for the acquisition of Norspray remained outstanding. A final settlement has now been made and no additional purchase consideration was paid.

Provisions	2015	2014
Opening balance	36,220	65,594
Additional purchase consideration paid	–	–500
Final settlement	–36,220	–509
Remeasurement	–	–26,384
Translation difference	–	–1,981
Total	0	36,220

Note 28 Deferred tax

Deferred tax assets	2015	2014	
Temporary differences pertaining to:			
– loss carryforwards	14,904	20,513	Recognized in profit or loss.
– forward agreements	–	2,133	Recognized in other comprehensive income.
Other	3,748	2,912	Recognized in profit or loss.
Total	18,652	25,558	

Opening value	25,558	23,854
Reversed receivable	–7,656	–271
Additional receivable	750	1,975
Total	18,652	25,558

Deferred tax liabilities	2015	2014	
Temporary differences pertaining to:			
– untaxed reserves	32,882	41,180	Recognized in profit or loss.
– forward agreements	1,416		Recognized in other comprehensive income.
– excess depreciation	19,965	5,569	Recognized in profit or loss.
Total	54,263	46,749	

Opening value	46,749	50,632
Increased provision	13,935	310
Reversal	–6,421	–4,193
Closing value	54,263	46,749

Note 29 Pension obligations

Group	2015	2014
Opening value	2,015	1,700
Decreased provision	–98	–94
Increased provision	120	409
Closing value	2,037	2,015

Note 30 Financial instruments

FINANCIAL RISK MANAGEMENT

The Beijer Alma Group is exposed to various financial risks in its operations. The Board of Directors establishes Group-wide instructions, guidelines and policies that form the basis for the management of these risks at various levels in the Group. The goal is to obtain an overall view of the risk situation, to minimize negative earnings effects and to clarify and define responsibilities and authority within the Group. Regular monitoring is carried out at the local and central level and findings are reported to the Board of Directors.

MARKET RISK

Currency risk

Transaction exposure

Lesjöfors and Habia conduct 87 percent and 95 percent, respectively, of their sales outside Sweden, while approximately 60 percent of their manufacturing takes place outside Sweden. This means that a large portion of the Group's income is in foreign currencies, while a relatively high proportion of its expenses, particularly personnel costs, are in SEK. To a certain extent, part of this currency risk is managed by purchasing input materials and machinery in currencies other than SEK. However, the manufacturing companies' income in certain foreign currencies still exceeds its expenses, and due to this lack of balance, the Group is exposed to currency risks.

For Beijer Tech, the situation is the opposite. Sweden accounts for 71 percent of sales and the remaining 29 percent is predominantly sold in the other Nordic countries. Its suppliers are often foreign. As a trading company, Beijer Tech has a smaller proportion of personnel costs than the Group's manufacturing companies. Combined, this means that Beijer Tech's expenses exceed its income in foreign currencies, primarily EUR. The company has currency clauses in many of its major customer agreements, which eliminate portions of Beijer Tech's currency exposure.

Despite various areas of the Group having reverse currency exposures, the Group as a whole is exposed to currency risks. Changes in exchange rates impact the Group's earnings, balance sheet, cash flow and, ultimately, its competitiveness.

Net exposure in currencies translated to MSEK (net exposure is defined as income less expenses)

2015	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	11.6	100.7	7.4	26.8	80.5	–	–	–	–	–	227.0
Habia Cable	40.5	135.0	–	6.9	46.8	–69.9	5.1	–5.9	16.4	14.6	189.5
Beijer Tech	–7.0	–134.0	24.0	28.0	–6.0	–	–	–	–	–	–95.0
Total	45.1	101.7	31.4	61.7	121.3	–69.9	5.1	–5.9	16.4	14.6	321.5

2014	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	8.1	162.5	10.5	29.0	74.5	–	–	–	–	–	284.6
Habia Cable	37.8	107.9	–	5.5	39.7	–26.0	4.3	–4.7	14.8	11.5	190.8
Beijer Tech	–8.0	–146.0	25.0	40.0	–17.0	–	–8.0	–	–	–	–114.0
Total	37.9	124.4	35.5	74.5	97.2	–26.0	–3.7	–4.7	14.8	11.5	361.4

The objective of currency risk management is to minimize the short-term negative effects on the Group's earnings and financial position that arise due to exchange-rate fluctuations. Between 50 and 100 percent of the forecast net flow for the next six months, meaning the difference between income and expenses in a single currency, is hedged. For months seven to 12, between 35 and 100 percent is hedged. In addition, the companies may, in consultation with Group management, hedge parts of the flow up to month 18. In most cases, the level of hedging lies in the middle of the range. The most frequently used hedging instrument is forward agreements. Forward agreements are signed centrally in Lesjöfors and Habia Cable, each of which is responsible for its own net exposure. Forecast flows are not hedged in Beijer Tech. However, individual transactions may be hedged in certain cases.

In 2015, Habia Cable signed several project orders for deliveries to the nuclear power industry during the coming years. These agreements are denominated in USD and at least 80 percent of the net flow of the agreements is hedged, without time restrictions.

The following table shows the Group's forward agreements on the balance-sheet date, translated to MSEK. Of these agreements, MSEK 323 falls due in 2016 and MSEK 37 in 2017.

Group	December 31, 2015	December 31, 2014
USD	73.5	22.2
EUR	193.2	212.4
GBP	77.5	76.9
NOK	16.1	17.5
Total	360.3	329.0

According to Beijer Alma's assessment, all derivative instruments meet the requirements for hedge accounting.

No hedges were ineffective. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. At year-end 2015, the derivative instruments had a positive value of MSEK 6.4, which increased shareholders' equity, after deductions for deferred tax. On December 31, 2014, there was a deficit in the value of the agreements amounting to MSEK 9.7. Consolidated comprehensive income was impacted in an amount of 12,586 (neg: 4,659) due to foreign exchange contracts.

Financial derivative instruments, such as currency forwards, are used when necessary. The Group has no other financial assets and liabilities measured at fair value. Fair value is based on observable market information from Nordea on the balance-sheet date and these instruments are thus included in Level 2 of the "fair value hierarchy" in accordance with IFRS 7.

Sensitivity analysis

Earnings

The Group's net exposure is primarily in EUR and GBP. A 1-percent change in the EUR or GBP in relation to the SEK has an impact of approximately MSEK 1 on earnings. Entering into forward agreements delays the earnings effect since a predominant proportion of the forecast flows for the following 12-month period are covered by signed agreements. The same applies for project orders where forward agreements have been signed on the basis of the payment terms of the order. During this time, measures may be taken to mitigate the effects.

Shareholders' equity

Beijer Alma's income statements and balance sheets are reported in SEK. Several of the Group's companies maintain their accounts in a different currency. This means that the Group's earnings and shareholders' equity are exposed when the financial statements are consolidated and foreign currencies are translated to SEK. This exposure primarily affects the Group's shareholders' equity and is designated as a translation exposure. This type of exposure is not hedged. Balance sheets maintained in EUR have the absolute largest translation exposure. A 1-percent change in the EUR in relation to the SEK has an impact of approximately MSEK 3 on shareholders' equity in the Group. Most of the Group's forward agreements are in EUR. A 1-percent change in the EUR rate in relation to the SEK has an impact of MSEK 2 on shareholders' equity via comprehensive income for the year.

Price risk

Beijer Alma is exposed to price risks related to the purchase of raw materials and goods for resale. Habia Cable uses copper and some plastics in its production, while Lesjöfors's input materials are steel and certain other metals. To date, derivative instruments have been used to a very limited degree to hedge purchases of raw materials. The price of Beijer Tech's goods for resale is influenced by the price of raw materials and other factors.

Purchases of direct material amounted to approximately MSEK 1,477 and comprised a large number of various input goods with price trends that varied over time. Although the companies are able in most cases to offset permanent changes in the price of materials, clauses pertaining to such compensation are exceptions.

Interest-rate risk

Since Beijer Alma does not hold any significant interest-bearing assets, the Group's income and cash flows from operating activities are essentially independent of changes in market rates.

Beijer Alma's net financial items and earnings are affected by fluctuations in interest rates pertaining to borrowing. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. In terms of risk, Beijer Alma's assessment is that fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Accordingly, the period of fixed interest on loans is usually up to 12 months. Over time, the short-term interest rate has also been lower than the long-term rate, which has had a positive effect on the Group's earnings. Outstanding loans and committed credit facilities are listed below.

	2015	Group 2014	Parent Company 2015	2014
Non-current liabilities				
Liabilities to credit institutions	205,997	229,077	–	–
Current liabilities				
Liabilities to credit institutions	56,321	65,304	–	–
Committed credit facilities	183,913	86,693	19,083	5,969
Total interest-bearing liabilities	446,231	381,074	19,083	5,969

All amounts are deemed to correspond to fair value.

Liabilities to credit institutions comprise some 20 credits in various currencies and with different terms and conditions. The majority of interest-bearing liabilities are in SEK. The Group's interest-bearing liabilities in foreign currency correspond to the following: in EUR to MSEK 85, in USD to MSEK 47 and in RMB to MSEK 30. Other than this, the Group has no interest-bearing liabilities in any single currency corresponding to more than MSEK 10. The interest levels vary between 1.1 percent and 5.0 percent.

The average interest rate is approximately 2.0 percent. The average inte-

rest rate on the committed credit facilities is about 1.8 percent. A limit fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to a variable interest rate with a fixed-interest term of up to one year.

Sensitivity analysis

At year-end 2015, net debt amounted to MSEK 194 (190). Net debt varies over the year. The level of indebtedness is at its highest after the dividend is paid and then normally declines until the dividend is paid in the following year. A change in the interest rate of 1 percentage point would have an impact of about MSEK 3 on earnings based on average net debt.

CREDIT RISK

Credit risk refers to cases in which companies do not receive payment for their receivables from customers or banks. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers and a credit limit is set. This is intended to ensure that the credit limits reflect the customer's capacity to pay. Habia Cable has taken out credit insurance for some of its Chinese customers. In terms of sales, the Group's risk spread across industries and companies is favorable. Historically, the level of bad debt losses has been low.

LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 252.2 (191.3), the majority is invested with Nordea and Handelsbanken.

Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to canceled loans and difficulties in raising new loans.

Beijer Alma manages this risk by maintaining a strong liquidity position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, is to amount to not less than two months of invoicing, meaning approximately MSEK 600. The Group's liquidity position at recent year-ends is shown in the table below. Another method of managing this risk is to maintain a strong financial position and favorable profitability, thereby making the company an attractive customer for loans.

	2015	Group 2014	Parent Company 2015	2014
Available liquidity				
Cash funds	252,179	191,295	9,326	1,372
Approved committed credit facilities	814,747	731,682	275,000	275,000
Unutilized portion of credit facilities	–183,913	–86,693	–19,083	–5,969
Available liquidity	883,013	836,284	265,243	270,403

Maturity analysis of liabilities, including interest to be paid for each period according to loan agreement.

Group	Less than 1 year	1 to 5 years	More than 5 years
December 31, 2015			
Borrowings	242,636	188,308	27,425
Liabilities for financial leasing	1,903	400	–
Accounts payable and other liabilities	185,722	–	–
Total	430,261	188,708	27,425

Group	Less than 1 year	1 to 5 years	More than 5 years
December 31, 2014			
Borrowings	153,897	228,260	13,148
Liabilities for financial leasing	2,477	5,059	–
Accounts payable and other liabilities	185,246	–	–
Total	341,620	233,319	13,148

Of the foreign exchange contracts at year-end 2015 totaling MSEK 360.3 (329.0), MSEK 323.3 (329.0) had a maturity period of less than one year and MSEK 37.0 (0) had a maturity period of one to two years.

Capital risk

The Group's goal in terms of its capital structure is to guarantee its ability to continue expanding its operations to ensure that a return is generated for the shareholders, while keeping the costs of capital at a reasonable level.

The capital structure can be changed by increasing or decreasing dividends, issuing new shares and selling assets.

Capital risk is measured as the net debt/equity ratio, meaning interest-bearing liabilities less cash and cash equivalents in relation to shareholders' equity. The aim is to enable freedom of action by maintaining a low debt/equity ratio. The net debt/equity ratio at recent year-ends is presented below:

Group	2015	2014
Interest-bearing liabilities	446,231	381,074
Cash and cash equivalents	-252,179	-191,295
Net debt	194,052	189,779
Shareholders' equity	1,835,288	1,744,752
Net debt/equity ratio	10.6	10.9

Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

December 31, 2015	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	6,965			6,965
Accounts receivable and other receivables	550,283			550,283
Derivative instruments (included in the item prepaid expenses)		6,440		6,440
Cash and cash equivalents	252,179			252,179
Total	809,427	6,440	0	815,867

December 31, 2015	Derivatives used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		262,318	262,318
Committed credit facilities		183,913	183,913
Accounts payable		185,722	185,722
Total	0	631,953	631,953

December 31, 2014	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	8,590			8,590
Accounts receivable and other receivables	500,695			500,695
Cash and cash equivalents	191,295			191,295
Total	700,580	0	0	700,580

December 31, 2014	Derivatives used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		294,381	294,381
Committed credit facilities		86,693	86,693
Derivative instruments (included in the item deferred income)	9,696		9,696
Accounts payable		185,246	185,246
Total	9,696	566,320	576,016

The Parent Company has cash and cash equivalents amounting to 9,326 (1,372) in the category "Loans and receivables", committed credit facilities totaling 19,083 (5,969) and accounts payable amounting to 1,013 (909) in the category "Other financial liabilities".

Note 31 Accrued expenses and deferred income

	2015	Group 2014	2015	Parent Company 2014
Accrued personnel costs	132,475	126,770	12,259	11,265
Accrued interest	454	840	–	–
Restructuring reserve	7,006	27,704	–	–
Accrued bonuses to customers	54,602	48,138	–	–
Deferred income	3,821	3,067	–	–
Derivative instruments	–	9,696	–	–
Other	65,434	50,140	37	19
Total	263,792	266,355	12,296	11,284

Note 32 Other current liabilities

	2015	Group 2014	2015	Parent Company 2014
Personnel tax	17,755	17,070	428	444
Value-added tax	24,219	19,991	13	131
Advance payments from customers	14,661	11,515	–	–
Other	10,307	8,998	–	–
Total	66,942	57,574	441	575

Note 33 Pledged assets

	2015	Group 2014	2015	Parent Company 2014
Floating charges	209,976	177,539	–	–
Real estate mortgages	60,376	61,924	–	–
Shares	378,633	343,357	13,381	13,381
Machinery used in accordance with financial leasing agreements	2,230	7,049	–	–
Total	651,215	589,869	13,381	13,381

Note 34 Contingent liabilities and commitments

The Group has contingent liabilities pertaining to guarantees and undertakings that arise during the normal course of business. No significant liabilities are expected to arise due to these contingent liabilities. During the normal course of business, the Group and the Parent Company entered into the following commitments/contingent liabilities:

	2015	Group 2014	2015	Parent Company 2014
Guarantees	16,652	6,091	–	–
Total	16,652	6,091	0	0

The Group has not identified any material commitments that are not reported in the financial statements.

Note 35 Net interest paid and other financial items

	2015	Group 2014	2015	Parent Company 2014
Dividends received	–	–	288,000	221,000
Interest received	1,014	7,377	612	607
Interest paid	–10,586	–10,033	–945	–793
Total	–9,572	–2,656	287,667	220,814

Note 36 Items not affecting cash flow

	2015	Group 2014	2015	Parent Company 2014
Depreciation/amortization	110,559	98,738	38	36
Goodwill impairment	36,240	26,316	–	–
Reversal of provisions	–36,220	–27,384	–	–
Profit/loss from associated companies	–2,519	–1,893	–	–
Total	108,060	95,777	38	36

Note 37 Corporate acquisitions

2015

Beijer Tech conducted a minor acquisition of assets and liabilities during 2015. The acquisition pertains to assets and liabilities in the Norwegian company Grad Tek AS. The purchase consideration was MSEK 1.1 and goodwill amounted to MSEK 0.7. The acquisition had a negligible impact on net revenues and profit.

2014

Motor spring operations in Sandvik Materials Technology

Lesjöfors acquired Sandvik Materials Technology's motor spring operations on December 31, 2014. The acquisition was an asset-transfer acquisition in the newly formed company Lesjöfors Springs America Inc.

The operations have approximately 60 employees and revenues of slightly more than MSEK 100. Manufacturing takes place in the US and Mexico. 90 percent of the operations' sales are conducted in North America. The largest customer segments are the engineering industry and the construction sector.

This acquisition enabled Lesjöfors to establish a presence in the large US spring market.

Acquisition calculation

Purchase consideration measured at fair value paid in cash	MSEK 115.2
Net assets measured at fair value	MSEK –49.0
Goodwill	MSEK 66.2

Net assets comprise

Inventories	MSEK 11.3
Machinery	MSEK 43.6
Accrued liabilities	MSEK –5.9
Total	MSEK 49.0

Goodwill was attributable to synergy effects within Lesjöfors and to inseparable customer relationships. The goodwill item includes discounted values for future tax reductions through deductions on goodwill amortization and other consolidated surplus values. The discounted value of these is MSEK 27.4.

Since the acquisition occurred on December 31, 2014, the Group's invoicing and earnings were not impacted.

No acquisition costs were recognized.

Note 38 Transactions with related parties

The Parent Company invoiced its subsidiaries a management fee of MSEK 18.2 (18.2). Besides the transactions specified in Note 1, no other transactions were carried out with related parties.

Note 39 Definitions

Proportion of risk-bearing capital

Total of shareholders' equity, deferred tax and minority interests, divided by total assets.

Shareholders' equity

Shareholders' equity attributable to Parent Company shareholders

Return on shareholders' equity

Profit after net financial items less 22.0 percent tax, in relation to average shareholders' equity.

Return on capital employed

Profit after net financial items plus interest expenses, in relation to average capital employed.

Net debt

Interest-bearing liabilities less interest-bearing assets.

Earnings per share

Earnings per share after tax.

Earnings, profit

The terms earnings and profit refer to profit after net financial items unless otherwise stated.

Interest-coverage ratio

Profit after net financial items plus financial expenses, divided by financial expenses.

Debt/equity ratio

Total interest-bearing liabilities in relation to shareholders' equity.

Equity ratio

Shareholders' equity in relation to total assets.

Capital employed

Total assets less non-interest-bearing liabilities.

Earnings per share after standard tax

Profit after net financial items less 22.0 percent tax, in relation to the number of shares outstanding.

Earnings per share after tax

Net profit less tax, in relation to the number of shares outstanding.

Earnings per share after tax, after dilution

Net profit less tax, in relation to the number of shares outstanding adjusted for potential shares giving rise to a dilution effect.

Note 40 Company information

General information

Beijer Alma AB (publ) (556229-7480) and its subsidiaries constitute an internationally active industrial group specializing in component manufacturing and industrial trading. The company is a public limited liability company with its registered office in Uppsala, Sweden. The address of the company's head office is Box 1747, SE-751 47 Uppsala, Sweden. The company is listed on Nasdaq Stockholm.

These consolidated financial statements were approved by the company's Board of Directors on February 17, 2016.

The balance sheet and income statement will be presented to the Annual General Meeting on April 5, 2016.

It is our opinion that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and earnings. The annual report was prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and earnings.

The Administration Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Uppsala, February 17, 2016

Beijer Alma AB (publ)

Anders Wall
Chairman of the Board

Johan Wall
Deputy Chairman

Carina Andersson
Director

Marianne Brismar
Director

Anders G. Carlberg
Director

Peter Nilsson
Director

Caroline af Ugglas
Director

Anders Ullberg
Director

Bertil Persson
President and CEO

Our Audit Report was submitted on February 17, 2016

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Beijer Alma AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 38–72.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE PRESIDENT FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial

Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance report has been prepared. The statutory administration report and the corporate governance report are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Beijer Alma AB (publ) for the year 2015.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE PRESIDENT

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OPINIONS

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Uppsala, February 17, 2016

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

BOARD, MANAGEMENT AND AUDITORS



Carina Andersson

Anders G. Carlberg

Caroline af Ugglas

Johan Wall

Anders Wall

Marianne Brismar

Peter Nilsson

Anders Ullberg

Bertil Persson

BOARD OF DIRECTORS

Anders Wall born 1931

Chairman

Director since: 1992

Holding through companies and family: 3,513,120, of which 1,921,600 Class A shares. Additional holdings in affiliated foundations: 774,200 Class A shares and 3,283,270 Class B shares.

Education: Studies at the Stockholm School of Economics.

Med Dr h.c., Econ Dr h.c., Consul General.

Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, the Consul Th. C. Bergh Foundation, Domarbo Skog AB.

Director of: Hargs Bruk Holding AB, the Anders Wall Professor of Entrepreneurship Foundation, Sturebadet Holding AB and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of Agriculture and Forestry (KSLA).

Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest 1964–1981 and Chairman of the Board 1981–1983 (after merger with AB Volvo). President and CEO of Investment AB Beijer 1983–1992.

Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Groupe Bruxelles Lambert, Pargesa and others.

Carina Andersson born 1964

Director since: 2011

Holding through companies and family: 2,000

Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm.

Director of: Systemair AB, SinterCast AB and Gränges AB.

Earlier positions: Sandvik Materials Technology AB, President of Ramnäs Bruk AB and President of Scana Ramnäs AB.

Has resided in China since 2011.

Marianne Brismar born 1961

Director since: 2010

Holding: 10,000

Education: Pharmacist, Master of Business Administration from the University of Gothenburg School of Business, Economics and Law.

Director of: Axel Johnson International AB, Concentric AB, Creades AB, Lindab AB, Semcon AB and JOAB AB.

Earlier positions: CEO of Atlet AB.

Anders G. Carlberg born 1943

Director since: 1997

Holding: 3,000

Education: Master of Business Administration.

Chairman of: Gränges AB and Herenco.

Director of: Axfast AB, Sweco AB, Investment AB Latour, Recipharm and others.

Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International AB, Executive Vice President of SSAB.

Peter Nilsson born 1966

Director since: 2008

Holding through companies and family: 3,000

Education: Master of Engineering from the Institute of Technology at Linköping University.

President and CEO of Trelleborg AB.

Director of: Trelleborg AB, Trioplast Industrier AB, Sydsvenska Handelskammaren and others.

Earlier positions: Business Area President and other assignments within the Trelleborg Group, Management Consultant at BSI.

Caroline af Ugglas born 1958

Director since: 2015

Holding: 700

Education: Economics degree from Stockholm University.

Director of: Acando Group, AMF Pension and Member of the Swedish Corporate Governance Board.

Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia.

Anders Ullberg born 1946

Director since: 2007

Holding: 15,000

Education: Master of Business Administration from the Stockholm School of Economics.

Chairman of: Boliden, Eneqvist Consulting, Mercur Solutions, Natur & Kultur and Studsvik.

Director of: Atlas Copco, Valedo Partners and Åkers. Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group.

Earlier positions: President and CEO of SSAB, Vice President and CFO of SSAB, CFO of Svenska Varv.

Johan Wall born 1964

Deputy Chairman

Deputy Director: 1997–2000

Director since: 2000

Holding: 3,000

Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in the US.

President of Beijerinvest AB.

Director of: The Crafoord Foundation, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, Uppsala University and others.

Earlier positions: President of Bisnode AB, President of Enea AB, President of Framfab AB and President of Netsolutions AB.

Bertil Persson born 1961

President and CEO of Beijer Alma AB

Deputy Director: 2000–2001, 2002–2015

Director: 2001–2002

Holding: 23,000

Education: Master of Business Administration from the Stockholm School of Economics.

Earlier positions: Head of Treasury at Investor AB, Director of Finance at Scania AB and Executive Vice President of LGP Telecom AB.

SENIOR EXECUTIVES

Bertil Persson born 1961

Master of Business Administration, President and CEO

Employee since: 2000

Holding: 23,000

Jan Blomén born 1955

Master of Business Administration, CFO

Employee since: 1986

Holding with family: 45,000

Jan Olsson born 1956

Master of Business Administration, Group Controller

Employee since: 1993

Holding: 2,000

AUDITORS

Auditing firm Öhrlings PricewaterhouseCoopers AB
Chief Auditor

Leonard Daun born 1964

Authorized Public Accountant

Auditor for Beijer Alma AB since: 2013

Beijer Alma invites all shareholders to participate in the Annual General Meeting, which will take place on Thursday, April 5, 2016, at 6:00 p.m. in the Main Hall (Stora Salen) of the Uppsala Concert and Conference Hall (Uppsala Konsert & Kongress), Vaksala torg 1, Uppsala, Sweden.

Participation

Shareholders who wish to participate in the Meeting must:

- be listed in Euroclear Sweden AB's shareholder register by Wednesday, March 30, 2016.
- notify the company of their intent to participate in the Meeting not later than Wednesday, March 30, 2016, preferably before 4:00 p.m.

Notification may be given by telephone at +46 18 15 71 60, by fax at +46 18 15 89 87, by e-mail at info@beijeralma.se, online at beijeralma.se or in writing, preferably using the registration form attached to the year-end report, which also includes a power of attorney form.

Registration must include the shareholder's name, national identity number/corporate registration number, shareholding and daytime telephone number. Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with Euroclear Sweden. Such registration must be completed not later than Wednesday, March 30, 2016, and should be requested well ahead of this date. Shareholders who wish to be accompanied by one or two advisors must provide notice of their intention to do so in the manner and time frame applicable for shareholders.

Entry cards

Entry cards entitling the holder to participate in the Annual General Meeting will be issued and are expected to be received by the shareholders not later than Monday, April 4, 2016. Shareholders who have not received their entry cards prior to the Annual General Meeting may obtain a new entry card from the information desk upon presentation of identification.

Dividend

The proposed record date for the right to receive dividends is Thursday, April 7, 2016. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid through Euroclear Sweden commencing Tuesday, April 12, 2016. The Board proposes that the Annual General Meeting approve an ordinary dividend of SEK 9.50 per share (8.50).

Information

A complete notice, including an agenda and proposals, can be ordered from Beijer Alma by telephone at +46 18 15 71 60, by fax at +46 18 15 89 87 or by e-mail at info@beijeralma.se. This information is also available at beijeralma.se.

Calendar

The year-end report and interim reports are published on beijeralma.se. The Annual Report and interim reports are sent automatically to shareholders (unless investors specify that they do not wish to receive this information).

2016

April 5	Annual General Meeting
April 28	Interim report January 1–March 31
August 18	Interim report April 1–June 30
October 26	Interim report July 1–September 30

2017

February	Year-end report
March 29	Annual General Meeting

Online

Current and up-to-date information is always available on Beijer Alma's website: beijeralma.se.

Reports

Reports can be ordered from Beijer Alma AB, Box 1747 SE-751 47 Uppsala, Sweden, +46 18 15 71 60 or via beijeralma.se.

Contact

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“ 2015 was the strongest year to date for the Beijer Alma Group. This development shows the strength of our business model of focusing on well-diversified operations that deliver high customer value.

Bertil Persson
President and CEO

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