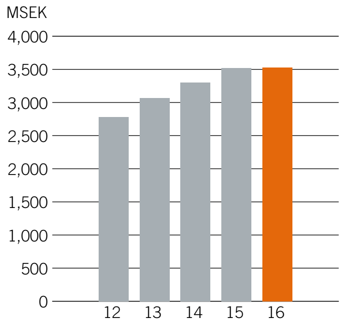
ANNUAL REPORT 2016 BEIJER ALMA

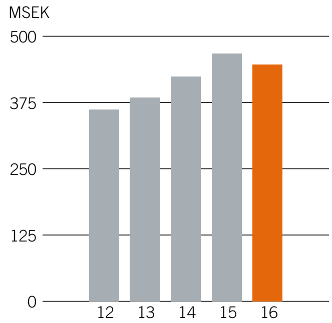
Beijer Alma AB is an international, listed industrial Group. Its business concept is to acquire, own and develop companies with strong growth potential. Beijer Alma's subsidiaries – Lesjöfors, Habia Cable and Beijer Tech – specialize in component manufacturing and industrial trading.

REVENUES AND PROFIT BY OPERATING SEGMENT MSEK	Q1	Q2	Q3	Q4	Total
Net revenues					
Lesjöfors	509.6	540.6	474.0	485.2	**2,009.4**
Habia Cable	204.5	168.7	196.3	217.3	**786.8**
Beijer Tech	187.6	189.1	169.8	184.6	**731.1**
Parent Company and intra-Group	0.1	–	0.1	–	**0.2**
Total	**901.8**	**898.4**	**840.2**	**887.1**	**3,527.5**
Operating profit					
Lesjöfors	90.1	110.0	83.8	96.3	**380.2**
Habia Cable	22.0	15.7	29.1	30.2	**97.0**
Beijer Tech	4.0	4.5	4.2	–4.8	**7.9**
Parent Company and intra-Group	–6.8	–11.0	–5.6	–6.5	**–29.9**
Consolidated operating profit	**109.3**	**119.2**	**111.5**	**115.2**	**455.2**
Net financial items	–2.2	–1.8	–2.2	–2.0	**–8.2**
Profit after net financial items	**107.1**	**117.4**	**109.3**	**113.2**	**447.0**

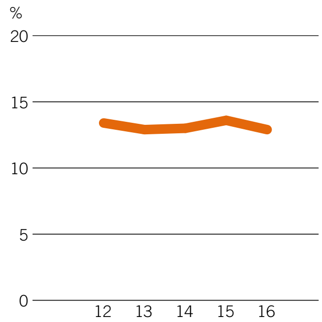
INVOICING



PROFIT AFTER NET FINANCIAL ITEMS



OPERATING MARGIN



–1%

ORDER BOOKINGS. Order bookings declined 1 percent to MSEK 3,530 (3,548).

10.87

EARNINGS PER SHARE. Earnings per share totaled SEK 10.87 (11.74).

INVOICING RECORD IN NUCLEAR POWER

INVOICING RECORD. Habia's invoicing in the nuclear power segment reached a record level.

3,528

INVOICING. Invoicing increased 1 percent to MSEK 3,528 (3,522).

ACQUISITIONS IN ASIA RESULT IN STRONGER PLATFORM

ACQUISITIONS. Lesjöfors strengthened its market position in Asia through acquisitions in China, Thailand and Singapore.

9.50

DIVIDEND. The Board proposes an unchanged dividend of SEK 9.50 (9.50).

447

PROFIT AFTER NET FINANCIAL ITEMS. Profit after net financial items amounted to MSEK 447 (467).

Proactive efforts to create profitable growth

2016 was another strong year for Beijer Alma, despite a slight decline compared with earlier record-breaking levels. Several of our operations continue to face a challenging macro environment, particularly the areas of the Group that are dependent on the industrial economy. Overall, this is placing greater demands on our ability to create growth.

Beijer Alma is a global Group and GDP worldwide is growing at a relatively satisfactory rate. However, this growth is distributed unevenly, with a low growth rate in traditional industrialized countries and a high growth rate in parts of Asia. Industrial investment levels are also weak. This has resulted in low – and even negative – growth in industrial production levels in much of the world in recent years.

We are facing greater demands as a result of these challenges in the macro environment. Growth does not occur automatically. We must work proactively to make it happen. When demand is not enough to enable expansion, we must find and develop niches that offer growth opportunities. Implementing acquisitions is equally important. We are doing both.

For many years, we have performed well in areas that have contributed to the Group's profitable growth. One example is chassis springs, where Lesjöfors has captured a market-leading position in Europe. We have enjoyed several years of growth in this area, although 2016 was slightly weaker than the preceding year. Another example is Habia's focus on cables for nuclear power plants and base-station antennas, areas where the company holds world-leading market positions. Sales in the nuclear power segment also reached record-breaking levels. Beijer Tech commands a strong position in the market for industrial hoses in Sweden. In 2016, we worked intensively to improve the organization and cost structure throughout Beijer Tech. This will yield results and enable a stronger earnings trend in the future.

To create continued growth, we are focusing on advancing our existing areas and identifying new niches. We are doing so by developing new products, offering existing products in additional industries and to new customers, and expanding into new geographic markets. Lesjöfors's establishment in North America is one such example, as is Habia's development of cables for offshore and underwater technology. Beijer Tech is becoming more specialized in processing and manufacturing, giving the company better growth opportunities.

International expansion has been a consistent theme throughout our development. Many of our operations have grown from local to global players. Without this expansion, Beijer Alma would be a very small group today. Because our Group companies operate in narrow niches, access to the entire global market is often required to generate sufficient volumes. Internationalization is also important given the deindustrialization under way in our part of the world. Many of our customers are turning to regions where there is demand for their products and lower production costs. Our companies must follow these customers in order to ensure their long-term growth.

Acquisitions will play an increasingly important role when it comes to our future growth. We are planning supplementary acquisitions in all of our subsidiaries. Lesjöfors has a long tradition of expanding its industrial spring operations through acquisitions and a unique strategy of purchasing spring manufacturers on a global basis. The company's first acquisition in North America was carried out in 2015 and its first acquisition in Asia in 2016. Lesjöfors is continuing its strategy of consolidating the global industrial spring market. Within Habia and Beijer Tech, we are focusing on acquisitions in order to expand the operations in selected areas.

At the same time, we must also maintain Beijer Alma's historically high level of profitability by focusing on specialized products in narrow niches where we can capture strong market positions.

The challenging macro environment that characterized 2016 will likely continue to plague us in 2017. We will maintain our efforts to create growth, improve our operations and implement cost savings where necessary. Together, these initiatives will ensure our growth and profitability so that we can continue creating value for our shareholders.

BERTIL PERSSON, PRESIDENT AND CEO

Ensure profitable growth

Beijer Alma aims to grow profitably. The strategy pyramid shows how this is to be accomplished in practical terms. The pyramid is based on long-term ownership, responsibility and efficient governance as well as four growth criteria combined with corporate acquisitions and organic development.

Long-term ownership
We create successful and 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.

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 needs or are based on unique product concepts. This creates higher value, which customers are prepared to pay for, and thereby contributes to our profitability.

International market coverage
We work with niche products with a limited total market. To create growth, the companies must therefore engage in broad international sales.

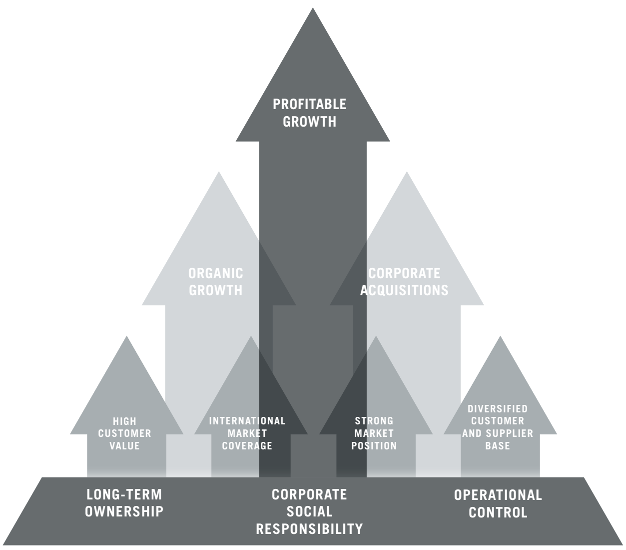
Strong market position
We establish strong market positions by focusing on quality, a broad product range, customization and service.

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 companies.

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

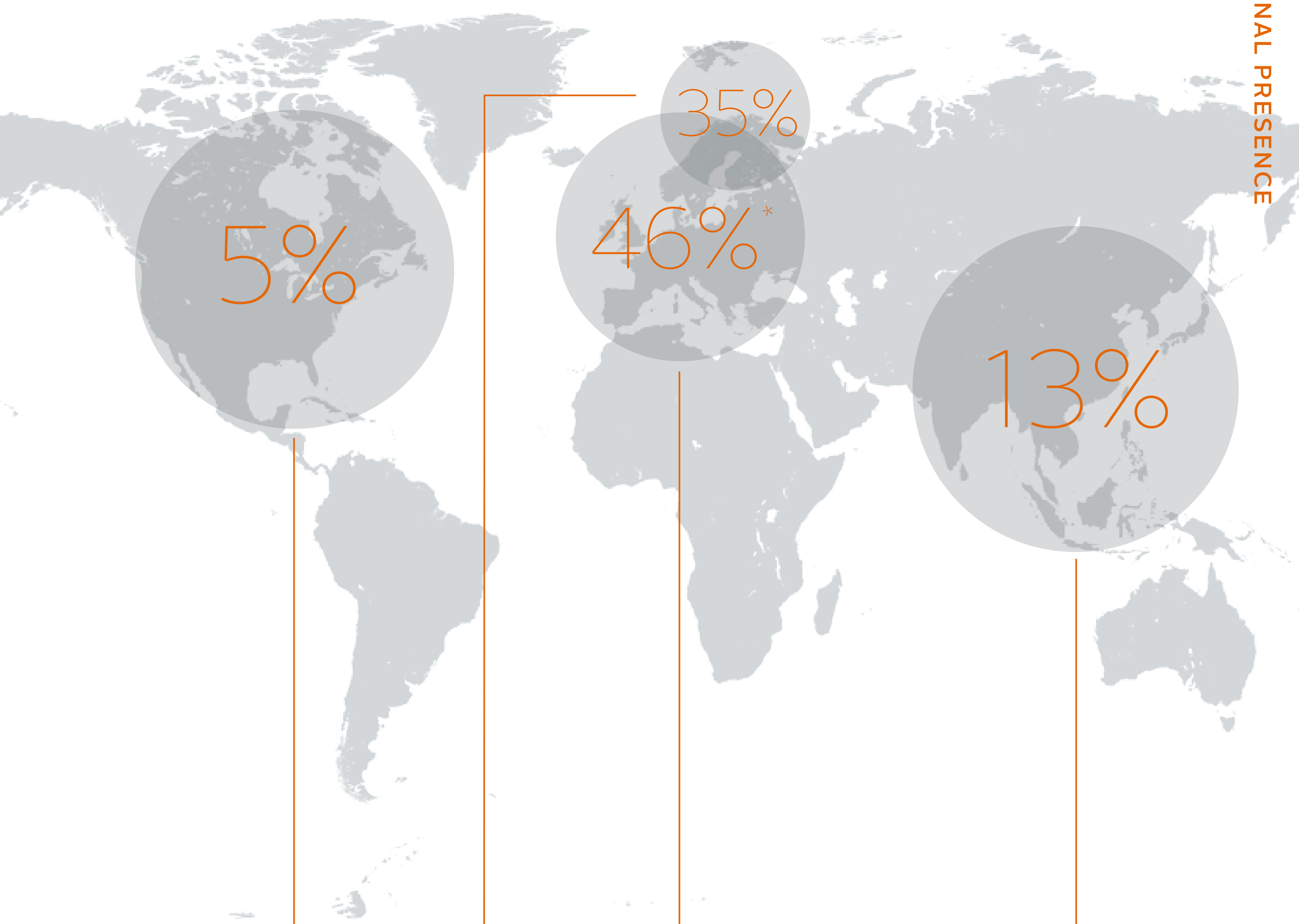
Corporate acquisitions
We conduct supplementary acquisitions and purchase entirely new operations. This strengthens our position in selected markets and specific product areas or provides Beijer Alma with a broader foundation.

Profitable growth
At Beijer Alma, growth must be linked to sustainable profitability. We achieve this by focusing on the growth criteria in the strategy pyramid.



Read more about Beijer Alma's strategy work at beijeralma.se

Our global platforms



NORTH AMERICA

Our smallest market. The North American operations will serve as the basis for future growth initiatives – not least for Lesjöfors, which is growing through supplementary acquisitions in Industrial Springs and the establishment of operations in Chassis Springs.

EUROPE**

Our largest market, where countries such as Germany, the UK, France and the Netherlands account for the majority of sales. Lesjöfors and Habia both command strong market positions in several of these countries.

* The region's share of Beijer Alma's total sales

** Refers to Europe excluding countries in the Nordic region

NORDIC REGION

The Group's home markets. All Group companies started here at one point in time and have operations in the region. Lesjöfors, Habia and Beijer Tech hold market-leading positions in several customer segments in the Nordic region.

ASIA

An emerging market now and in the future. As more companies establish operations in Asia, Beijer Alma is also strengthening its presence in the region – not only to move closer to its customers but also to reduce manufacturing costs and boost its competitiveness.

Nordic region

Lesjöfors – leading spring company

Lesjöfors is a dominant player in the Nordic region and has consolidated this spring market through acquisitions. The company has seven plants and its own product operations, and offers springs for all areas of technology and industries. Its largest markets are Sweden and Denmark. Growth in the Nordic region is mainly linked to continued organic growth. Lesjöfors's Chassis Springs business area is also a dominant player in the Nordic region. Sweden and Denmark are the largest markets in this business area. Chassis Springs conducts its own manufacturing and product development in Sweden. Future growth will primarily be based on organic growth.

Habia – specializing in industrial cables

Habia's Swedish plant manufactures industrial cables for demanding applications, including cables for customers in the nuclear power, defense and offshore sectors. The company has a research and development organization in Sweden, which is also its single largest market. Growth in industrial cables is mainly linked to continued organic growth.

Beijer Tech – increased added value

Beijer Tech's industrial trading operations are concentrated to the Nordic region. Sweden is the company's largest market. Its operations are increasingly focused on products that are refined by the company to create higher customer value. The Industrial Products business area supplies consumables and input goods for heavy industry. Beijer Tech's other business area, Fluid Technology, is a dominant player in Sweden. The company sells hoses and couplings, for example, to the engineering and construction sectors. Growth is based on supplementary acquisitions and organic growth.

71%

Swedish market's share of Beijer Tech's sales in the Nordic region.

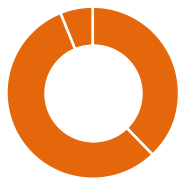
SALES PER MARKET

Sweden 66%
Denmark 13%
Finland 10%
Norway 11%

Distribution of Group sales between the largest markets.

SALES PER SUBSIDIARY

Lesjöfors 38%
Beijer Tech 56%
Habia Cable 6%



Lesjöfors, Habia and Beijer Tech's share of Group sales in the region.

SHARE OF EMPLOYEES IN THE REGION

34 percent of Beijer Alma's employees work in the Nordic region.

Europe

Lesjöfors – expansion in Eastern Europe

Lesjöfors is a full-range supplier of industrial springs. Through acquisitions, the company has contributed to the consolidation of the European spring market, where Lesjöfors has seven plants and its own product development operations. The predominant markets are Germany and the UK. The largest customer segments are manufacturers of cars and agricultural machinery as well as engineering companies. The company intends to continue growing in the area of industrial springs through acquisitions, primarily in Eastern Europe.

Lesjöfors's other major area is chassis springs. The company is the clear market leader, with strong positions in such regions as the UK, Germany, Russia and various countries in Eastern Europe. Its customers comprise retailers of spare parts for cars and light trucks. The company's chassis springs are manufactured at plants Sweden and the UK. Its operations will continue to expand organically, mainly in Eastern Europe.

Habia – organic growth

Habia specializes in industrial cables that are often adapted to meet customer needs. The company has two plants and its own product development operations. Its largest markets are the UK, Germany, the Netherlands, Belgium and France. Its customers operate in such areas as the defense and engineering industries. The company's operations in Poland develop and manufacture cable harnesses. Habia is focusing on continued organic growth as well as on expanding through acquisitions that supplement its offering of custom-designed cables.

5,500

The number of products in Lesjöfors's comprehensive range of chassis springs.

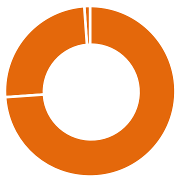
SALES PER MARKET

Germany 32%
UK 19%
Poland 6%
France 5%
Czech Republic 5%
Russia 4%
Netherlands 4%
Other 25%

Distribution of Group sales between the largest markets.

SALES PER SUBSIDIARY

Lesjöfors 74%
Habia Cable 25%
Beijer Tech 1%



Lesjöfors, Habia and Beijer Tech's share of Group sales in the region.

SHARE OF EMPLOYEES IN THE REGION

43 percent of Beijer Alma's employees work in Europe*.

* Refers to Europe excluding countries in the Nordic region

Asia

Lesjöfors – platform strengthened by acquisitions

Lesjöfors conducts its own manufacturing of industrial springs in Asia. In addition to two plants in China, the company also has its own production facilities in Singapore and Thailand. The offering is broad and the company's customers operate in all major industrial sectors. Among other customers, Lesjöfors supplies Western companies in Asia with locally manufactured components. Its largest markets are China, Thailand and Singapore. Acquisitions conducted in recent years have strengthened Lesjöfors's platform in Asia. This is enabling continued expansion in markets with high growth and low manufacturing costs. The company's future expansion in these markets will be based on new acquisitions and organic growth.

Habia – low-cost production boosts competitiveness

Habia's telecom operations are located in Asia, where production has increased significantly. Low-cost production has ensured the company's competitiveness and made Habia one of the few Western cable manufacturers in the telecom sector. The company is a global market leader in antennas for mobile telecom. All product development takes place at the plant in China, which supplies cables to antenna manufacturers around the world. Habia also develops and manufactures industrial cables in China. The company specializes in custom-designed cables for general industrial applications. Its products are mainly sold to companies with operations in Asia. Growth in both industrial and telecom cables will mainly be based on continued organic growth.

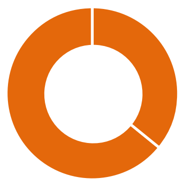
No.1

Habia is the global market leader in mobile telecom cables.

SALES PER MARKET

Distribution of Group sales between the largest markets.

SALES PER SUBSIDIARY



Lesjöfors and Habia's share of Group sales in the region.

SHARE OF EMPLOYEES IN THE REGION

20 percent of Beijer Alma's employees work in Asia.

North America

Lesjöfors – increased cross-selling

Lesjöfors has plants in the US and Mexico, with the Mexican plant offering low-cost manufacturing. Its principal markets are the US, Canada and Mexico, which account for just over 90 percent of sales. The largest customer segments are the construction and civil engineering sectors and the operations specialize in customized clock springs. Lesjöfors is one of the largest players in the area, with market share of approximately 20 percent. Clock springs are used in various consumer and industrial products, such as fall prevention equipment, building technology and leisure products.

This cutting-edge clock spring expertise is also helping to strengthen Lesjöfors's position in other markets, such as Europe, where the company has established clock spring manufacturing operations in Latvia. Increasing cross-selling between various markets is one of the company's strategic goals and would enable Lesjöfors to offer other areas of its spring range to customers in North America. The company's ongoing expansion in North America is largely based in new corporate acquisitions.

Habia – focus on telecom

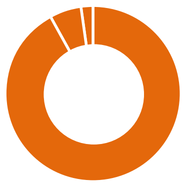
Habia sells cables to customers in the US market, mainly to companies that manufacture and sell antennas for mobile telecom. Customers in North America account for between 5 and 10 percent of Habia's total telecom sales. The company does not conduct manufacturing in the region. Its products are primarily delivered from its plant in China.

20%

Lesjöfors's share of the clock spring market in North America.

SALES PER MARKET

US 92%
Mexico 6%
Canada 2%



Distribution of Group sales between the largest markets.

SALES PER SUBSIDIARY

Lesjöfors 91%
Habia Cable 9%

Lesjöfors and Habia's share of Group sales in the region.

SHARE OF EMPLOYEES IN THE REGION

3 percent of Beijer Alma's employees work in North America.

People, society, ethics and the environment

Environmental responsibility, social responsibility and sound business ethics are natural elements of Beijer Alma's long-term strategy and help us achieve our most important goal – to create added value for our customers, shareholders, business partners and employees. Our sustainability work is based in part on the UN Global Compact.

Based on the Global Compact

Given that its sustainability work is based on the Ten Principles of the Global Compact, Beijer Alma devotes particular focus to the following areas:

- Applying sound business principles and high ethical standards. Preventing corruption is an important part of this work.
- Creating a safe, positive and stimulating work environment.
- Using natural resources as efficiently as possible and minimizing environmental impact. Energy and climate issues create challenges for Beijer Alma and for society as a whole.
- Approaching our operations from a life cycle perspective – raw materials, suppliers, products, services and customers. Customers and other stakeholders are showing a growing interest in environmental and social responsibility. Linking environmental benefits to business advantages contributes to the development of the Group.
- Involvement in the communities in which Beijer Alma operates. We work at both the Group level on large-scale projects and at the local level by supporting schools and various non-profit organizations.

Code of Conduct – guiding principles

Beijer Alma's Code of Conduct guides the Group's work related to sustainable development and provides a basis for the Group-wide approach to corporate social responsibility (CSR). The Code is discussed on a regular basis in connection with employee training and is communicated to customers, suppliers and other stakeholders.

Integration with Group strategies

In 2016, the Group expanded its strategic sustainability work. This also means that the Code of Conduct serves as a pillar for strategic decisions. During the year, Lesjöfors, Habia Cable and Beijer Tech identified a number of areas where the Code of Conduct has a direct impact on internal decision-making. One of our aims is to avoid establishing operations in geographic areas where conflicts with the Group's values may arise. Another strategic priority is to be able to meet customers' and society's increasing demands with respect to CSR with an ample margin.

Long-term objectives

Beijer Alma's sustainability strategies are made more tangible through long-term objectives established at Group level. At the local level, the three Group companies work toward detailed objectives, mainly within the framework of ISO 14001. The recently introduced UN global sustainable development goals are also used as a compass during sustainability work, and clearer connections between the Group's objectives and the global goals were established during the year. These connections are reported in the table on the following page.

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.
- Proposal for incorporating sustainability issues into strategic planning.

2015

- Participation in UN Global Compact and report on how the Group applies the Ten Principles. Assessment of how Group sustainability objectives relate to new UN global goals.
- Continued work on Group energy, climate, waste, work environment and social commitment objectives.
- Expanded sustainability reporting and continued CDP reporting.

2016

- Sustainability issues incorporated into strategic planning.
- Updated Code of Conduct.
- Continued focus on energy issues and the EU Energy Efficiency Directive.
- Sustainability, CDP and COP reporting expanded. Clearer connection to UN global sustainable development goals.
- Continued implementation of ISO 14001. Adaptation to ISO 14001:2015 begins.

OUR SUSTAINABLE DEVELOPMENT OBJECTIVES	CONNECTION TO GLOBAL GOALS**	PROGRESS***
By 2018, energy consumption is to be reduced by 10 percent (GWh/MSEK in net revenues).*	Goal 7: Sustainable energy for all.	● More units and increased production resulted in a slightly higher energy use. A number of energy efficiency projects were carried out.
By 2018, CO_2 emissions are to be reduced by 10 percent (tons/MSEK in net revenues).*	Goal 13: Combat climate change.	● Increased production in countries with fossil-dependent energy systems resulted in increased emissions. Partly offset by energy efficiency enhancements, the use of biofuel and purchases of green electricity.
By 2018, the amount of waste generated by the Group is to be reduced by 10 percent (tons/MSEK in net revenues).*	Goal 9: Sustainable industry, innovation and infrastructure. Goal 12: Sustainable consumption and production.	● Increased production resulted in increased waste. Improved waste management through a reduction in scrapping, better sorting at source and expanded recycling.
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 is to be introduced.	Goal 8: Decent work and economic growth.	● No clear downward trend was seen in terms of the number of accidents and lost working days. On a positive note, systems for reporting near misses are now in place at 90 percent of the Group's units.
Certified management systems are to be in place at all production units and wherever ISO 14001 is relevant.	Goal 9: Sustainable industry, innovation and infrastructure.	● Three units were certified in 2016 and 80 percent of the units are now certified. Four units plan to achieve certification within six to 18 months.
From 2015 to 2018, we will increase our social commitment.	Goal 4: Quality education for all. Goal 17: Action and global partnerships.	● 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.
** The UN has established 17 global sustainable development goals. The business community is expected to participate actively in the achievement of these goals.
** Refer to the Group's 2016 Sustainability Report for more details.
● Objective achieved. ● Unchanged situation. ● Positive trend, good potential to achieve objective. ● Negative trend, additional measures required.

Read more about Beijer Alma's sustainability work on beijeralma.se, in the Code of Conduct (Swedish, English, Spanish, German, Chinese, Polish and Slovakian) and in the 2016 Sustainibility report.

2017

- Assessment of sustainability strategy and targets.
- Update to ISO 14001:2015 continues and is to be concluded by 2018.
- Energy audits in accordance with the EU Energy Efficiency Directive.
- Continued work on energy, climate, waste, work environment and social commitment objectives.
- Sustainability reporting according to new mandatory reporting law. CDP and COP reporting.

2018

- Adaptation to ISO 14001:2015 completed.
- Updated sustainable development objective developed. Review of Group strategy for sustainable development.
- Continued sustainability, CDP and UN reporting.

2019

- Continued work on energy, climate, waste, work environment and social commitment.
- Updated objective for sustainable development introduced in the Group.
- Sustainability, CDP and UN reporting.

The share

The Beijer Alma share is listed on the Nasdaq Stockholm Mid Cap List. The Group's share performance is strong. An investment of SEK 100 in Beijer Alma shares five years ago would have grown to SEK 237, including dividends, by year-end 2016.

7,020

MARKET CAPITALIZATION. At year-end 2016, Beijer Alma had a market capitalization of MSEK 7,020. In 2006, the Group's market market capitalization was MSEK 2,771.

233.00

SHARE PRICE. In 2016, the market price of the Beijer Alma share rose 6 percent. The Stockholm All Share Index increased 6 percent. The closing price at year-end was SEK 233.00 (219.50). The highest price was SEK 244.00, which was quoted on December 16. The lowest price was SEK 177.50, which was quoted on June 16.

3,694,665

SHARES TRADED. A total of 3,694,665 shares were traded during the year, corresponding to 14 percent of the outstanding Class B shares. An average of 14,603 shares were traded each trading day.

10,967

NUMBER OF SHAREHOLDERS. At year-end 2016, Beijer Alma had 10,967 shareholders. In 2006, the Group had 3,552 shareholders. This means that the number of shareholders has more than tripled in ten years. Of the total number of shareholders, institutional owners accounted for 63.4 percent of capital and 43.5 percent of votes. The holdings of foreign shareholders accounted for 8.5 percent of capital and 4.3 percent of votes.

PER-SHARE DATA	**2016**	2015	2014	2013	2012
Earnings per share after 22.0% standard tax rate, SEK	**11.57**	12.09	10.96	9.96	8.85
After tax, SEK	**10.87**	11.74	10.60	9.59	8.91
Shareholders' equity per share, SEK	**63.11**	60.91	57.91	53.46	50.43
Dividend per share, SEK	**9.50** [1]	9.50	8.50	8.00	7.00
Dividend ratio, %	**87**	81	80	83	79
Dividend yield, %	**4.1**	4.3	4.7	4.5	6.0
Market price at year-end, SEK	**233.00**	219.50	182.50	177.00	116.00
Highest market price, SEK	**244.00**	230.50	210.50	184.50	138.25
Lowest market price, SEK	**177.50**	168.00	158.50	116.00	105.75
P/E ratio at year-end	**21.4**	18.7	17.2	18.5	13.0
Cash flow per share after capital expenditures	**7.36**	8.36	4.85	6.64	4.32
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

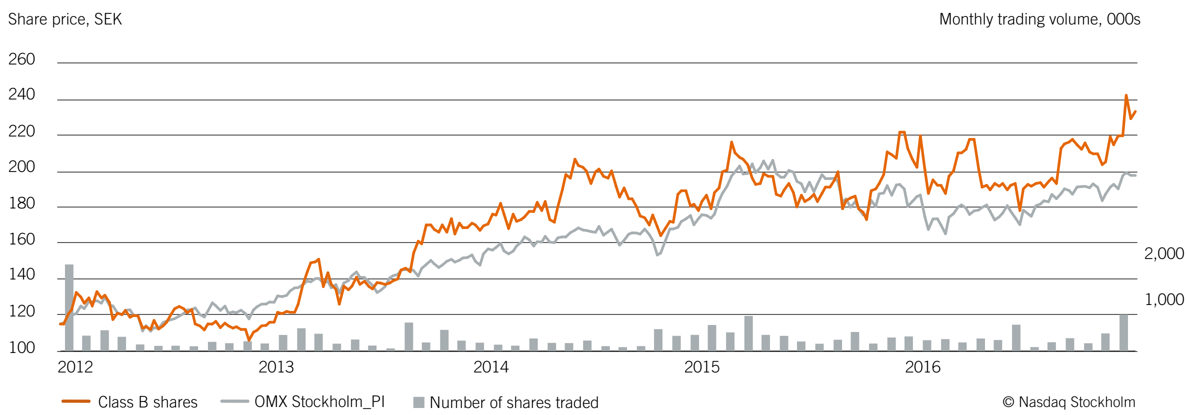
1. Dividend proposed by the Board of Directors

LARGEST SHAREHOLDERS	Number of shares	of which, Class A	of which, Class B	Number of votes	% of share capital
Anders Walls 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
Didner & Gerge Fonder Aktiebolag	2,457,454	0	2,457,454	2,457,454	8.2
Verdipapirfond Odin	2,307,922	0	2,307,922	2,307,922	7.7
SEB Fonder	2,172,910	0	2,172,910	2,172,910	7.2
Lannebo Fonder	2,032,674	0	2,032,674	2,032,674	6.8
Swedbank Robur Fonder	1,348,420	0	1,348,420	1,348,420	4.5
Fourth Swedish Pension Insurance Fund	916,718	0	916,718	916,718	3.0
Göran W Huldtgren with family and companies	479,061	306,633	172,428	3,238,758	1.6
Skandia Fonder	428,314	0	428,314	428,314	1.4
DnB – Carlson Fonder	415,405	0	415,405	415,405	1.4
Naventi Kapitalförvaltning	356,458	0	356,458	356,458	1.2
Nordea Investment Funds	300,173	0	300,173	300,173	1.0
Livförsäkringsbolaget Skandia	293,928	0	293,928	293,928	1.0
Other shareholders	9,039,073	307,567	8,731,506	11,987,176	30.0
Total	**30,131,100**	**3,310,000**	**26,821,100**	**60,101,100**	**100.0**

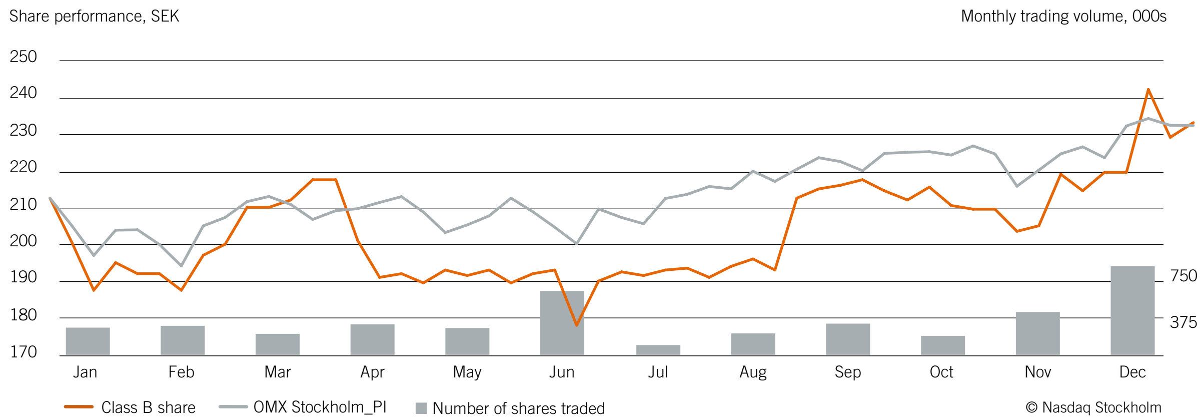
Shareholders' register, December 31, 2016, including known changes

HOLDING	No. of shareholders	Participating interest, %	No. of shares	No. of Class A shares	No. of Class B shares	Holding, %	Votes, %
1–500	9,006	82.1%	849,246	0	849,246	2.8	1.4
501–5,000	1,692	15.4%	2,550,585	3,633	2,546,952	8.5	4.3
5,001–10,000	114	1.0%	823,320	0	823,320	2.7	1.4
10,001–20,000	48	0.4%	691,632	14,400	677,232	2.3	1.4
20,001–50,000	48	0.4%	1,457,156	229,924	1,227,232	4.8	5.9
50,001–100,000	21	0.2%	1,470,179	218,010	1,252,169	4.9	5.7
100,001–	38	0.3%	22,288,982	2,844,033	19,444,949	74.0	79.9
Total	**10,967**	**100.0**	**30,131,100**	**3,310,000**	**26,821,100**	**100.0**	**100.0**

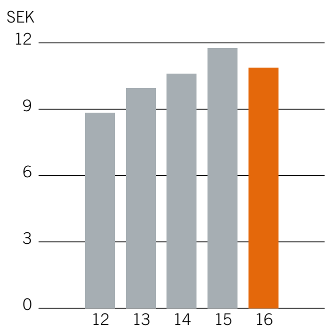
SHARE PERFORMANCE 2012–2016



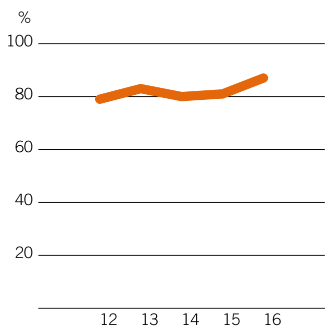
SHARE PERFORMANCE 2016



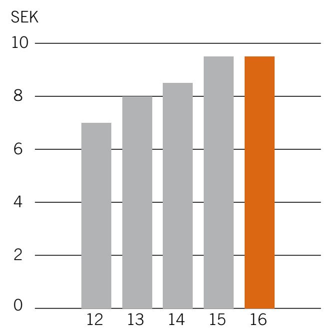
EARNINGS PER SHARE



DIVIDEND RATIO



DIVIDEND



DIVIDEND. Beijer Alma's policy states that dividends are 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.

ANALYSTS

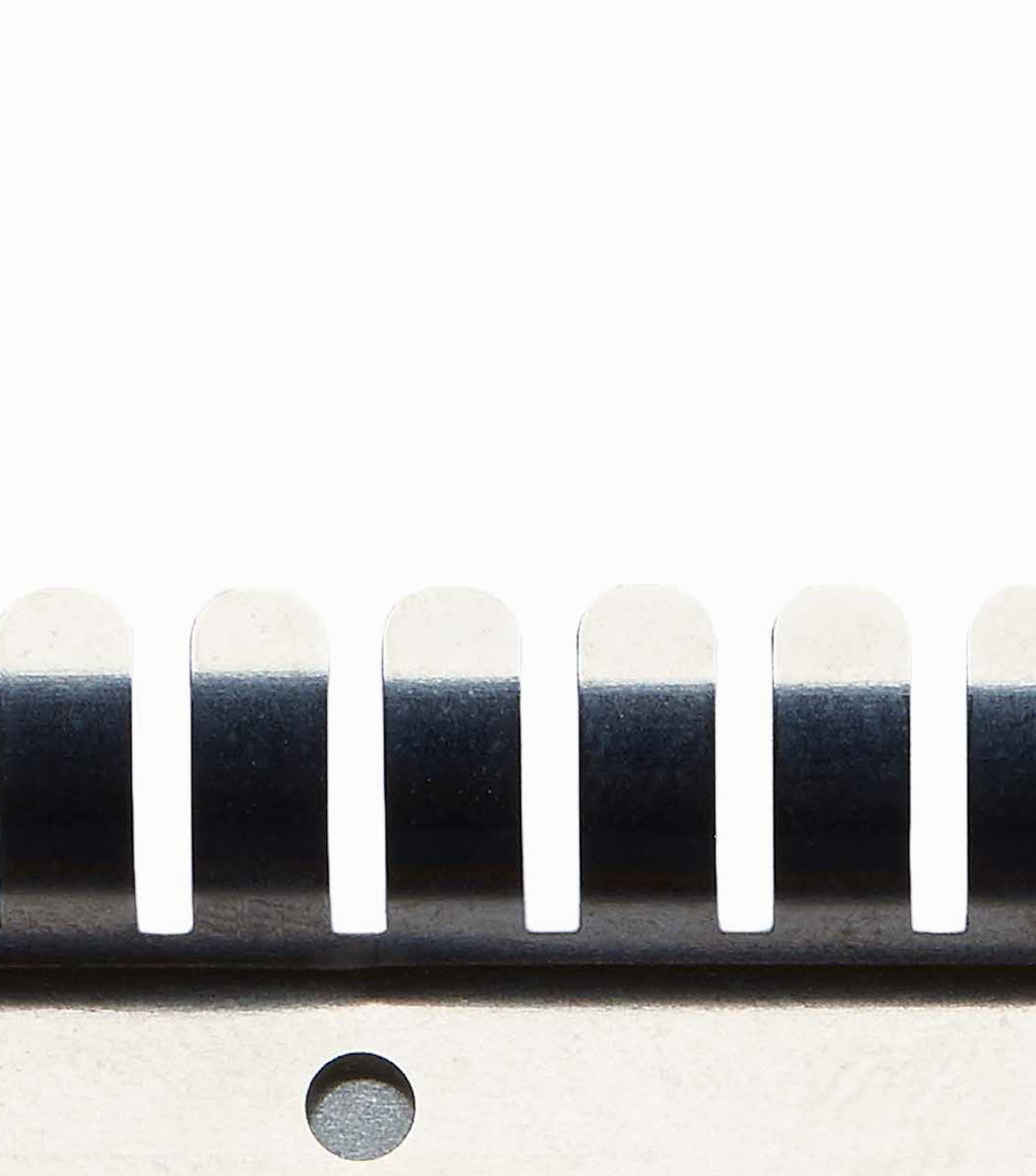
Danske Bank, Max Frydén
Carnegie Investment Bank AB, Mikael Löfdahl
Erik Penser Bankaktiebolag, Johan Widmark
SEB, Johan Dahl
Nordea, Henrik P. Nilsson

Ten-year summary

In 2016, invoicing amounted to MSEK 3,527.50 and profit after net financial items to MSEK 447.00. Over the past ten years, the Beijer Alma Group's invoicing has increased 113 percent annually. During the same period, profit after net financial items has grown nearly 58 percent.

MSEK	**2016**	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net revenues	**3,527.5**	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
Operating profit	**455.2**	477.3	427.5	396.3	372.3	441.4	406.3	238.2	302.4	289.6
Net financial items	**–8.1**	–10.4	–3.9	–11.6	–10.5	–12.7	–7.5	–11.7	–7.4	–6.9
Profit after net financial items	**447.0**	466.9	423.6	384.7	361.8	428.7	398.8	226.5	295.0	282.7
Tax	**–119.4**	–113.2	–104.3	–95.7	–93.3	–115.8	–112.3	–64.1	–78.3	–77.2
Net profit	**327.6**	353.7	319.3	289.0	286.5	312.9	286.5	162.4	216.7	205.5
Non-current assets	**1,504.8**	1,314.2	1,347.0	1,192.5	1,111.6	927.4	820.3	616.6	657.2	607.8
Current assets	**1,646.4**	1,555.6	1,396.7	1,355.5	1,283.1	1,273.4	1,155.5	773.6	803.6	741.6
Shareholders' equity	**1,901.5**	1,835.3	1,744.8	1,610.9	1,519.5	1,482.9	1,394.5	985.9	959.6	846.7
Non-current liabilities and provisions	**309.0**	262.3	313.9	299.2	323.5	171.0	140.2	100.0	107.7	68.0
Current liabilities	**936.9**	768.5	681.3	634.3	549.1	544.2	438.4	301.2	390.2	434.6
Total assets	**3,151.2**	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
Cash flow	**173.6**	251.8	146.0	200.0	130.1	152.0	168.3	215.8	150.1	120.0
Depreciation and amortization	**117.3**	110.6	98.7	86.7	78.7	76.3	70.7	71.4	68.2	65.3
Net capital expenditures, excluding corporate acquisitions	**203.6**	135.8	140.0	126.3	70.5	89.2	55.2	60.5	89.1	79.2
Capital employed	**2,488.2**	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
Net liabilities	**313.1**	194.1	189.8	92.3	56.8	–22.5	–91.2	–59.5	18.4	32.8
Key figures, %										
Gross margin	**32.5**	32.8	32.4	32.4	33.7	34.8	37.7	36.4	35.3	37.4
Operating margin	**12.9**	13.6	13.0	12.9	13.4	15.6	17.7	15.2	16.5	17.5
Profit margin	**12.7**	13.3	12.8	12.5	13.0	15.1	17.4	14.4	16.1	17.1
Equity ratio	**60**	64	64	63	64	67	71	71	66	63
Proportion of risk-bearing capital	**62**	66	65	65	66	70	73	73	68	65
Net debt/equity ratio	**17**	11	11	6	4	–2	–6	–6	2	4
Return on shareholders' equity	**18.7**	20.3	19.7	19.2	17.8	21.8	24.7	17.2	23.5	25.5
Return on capital employed	**19.1**	21.7	21.3	21.1	21.2	26.4	30.6	21.2	28.3	29.9
Interest-coverage ratio, multiple	**56.8**	41.8	41.3	28.9	27.5	27.5	43.3	18.7	21.4	23.6
Average number of employees	**2,340**	2,262	2,124	2,110	1,831	1,687	1,397	1,146	1,220	1,163
Earnings per share after tax	**10.87**	11.74	10.60	9.59	8.91	10.38	9.51	5.92	7.90	7.49
Dividend per share, SEK	**9.50**	9.50	8.50	8.00	7.00	7.00	7.00	5.00	5.00	5.00

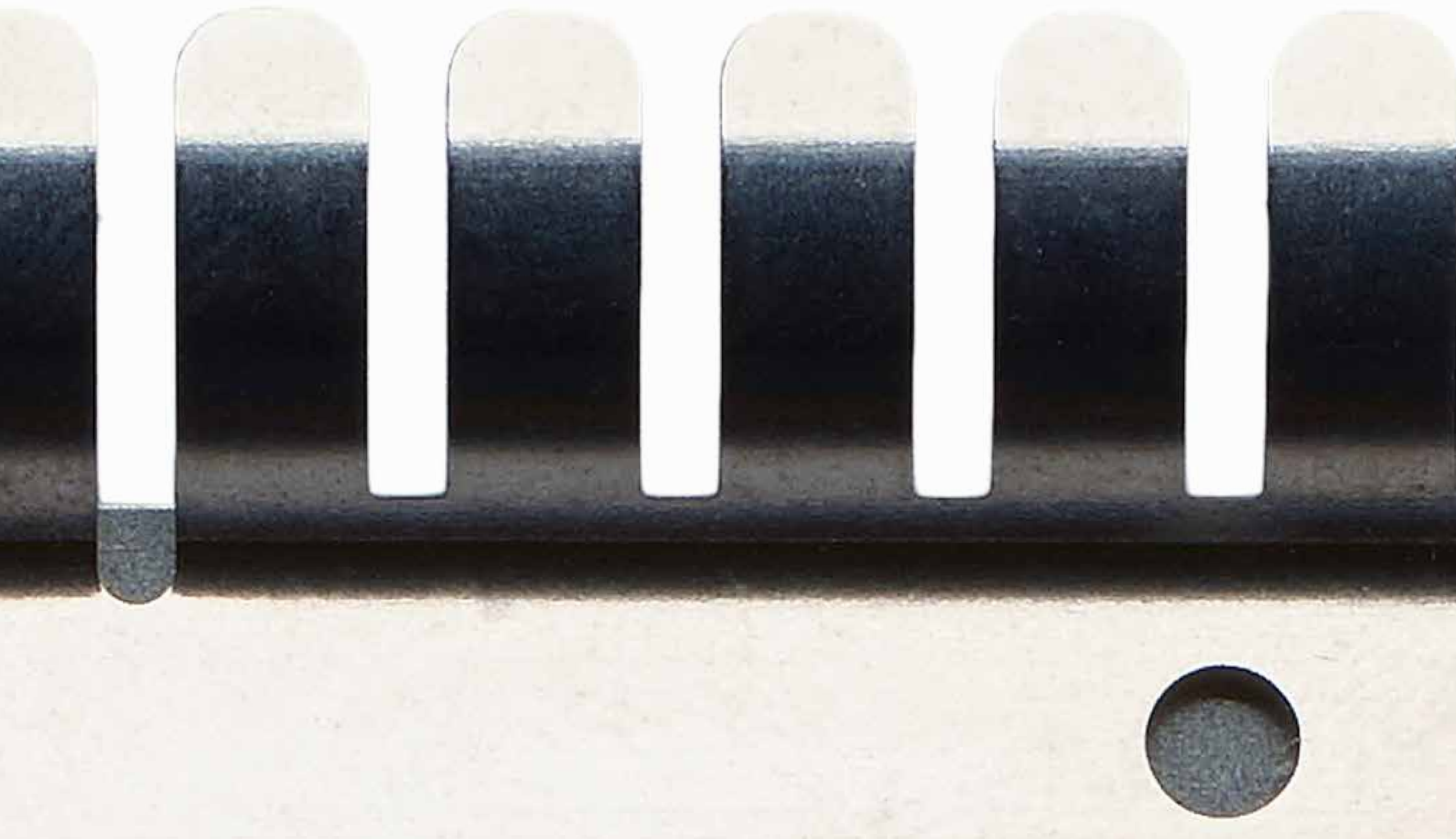
LESJÖFORS



Lesjöfors

Lesjöfors is a global supplier of springs, wire and flat strip components. The company offers a comprehensive range including both standard products and customized components. Lesjöfors is the largest spring company in the Nordic region and a leader in Europe. The company's innovative approach and problem-solving ability are strong competitive advantages, as are its low-cost manufacturing and worldwide delivery capacity. Its operations are divided into two business areas: Industry and Chassis Springs.

- Within Chassis Springs, Lesjöfors is the clear market leader in Europe. The company both manufactures and stocks chassis springs and offers a comprehensive product range.
- Dominated by customer-specific products, Industry conducts sales in 60 markets.
- Lesjöfors has 25 production units in 12 countries. More than 80 percent of sales are conducted outside Sweden.



2,009

SALES. Sales totaled MSEK 2,009 (1,996).

18.9

OPERATING MARGIN. The operating margin was 18.9 percent (19.5).

ASIA

INDUSTRY. Acquisitions in Asia strengthened global presence and enable additional sales synergies.

380

OPERATING PROFIT. Operating profit totaled MSEK 380 (388).

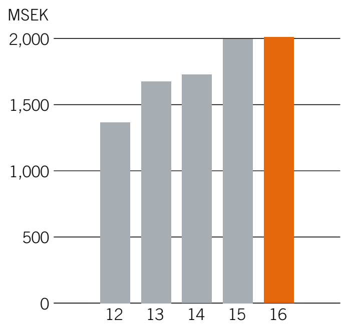
US

CHASSIS SPRINGS. Establishment in the US market begun.

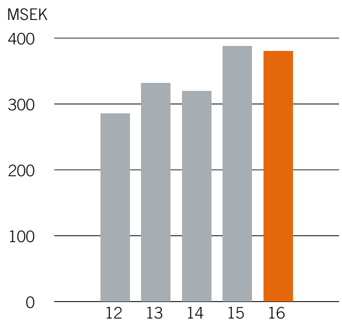
RUSSIA

CHASSIS SPRINGS. Increasing volumes in Russia.

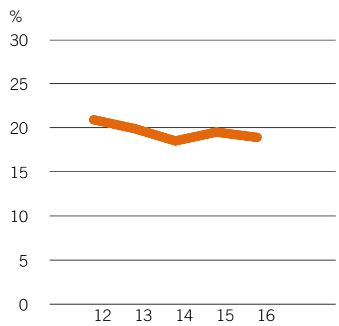
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK	**2016**	2015	2014	2013	2012
Net revenues	**2,009.4**	1,995.9	1,725.7	1,676.3	1,366.7
Cost of goods sold	**–1,332.5**	–1,316.6	–1,141.8	–1,093.9	–857.2
Gross profit	**676.9**	679.3	583.9	582.4	509.5
Selling expenses	**–144.2**	–147.8	–134.7	–130.4	–122.1
Administrative expenses	**–152.5**	–143.1	–129.6	–120.3	–102.0
Operating profit	**380.2**	388.4	319.6	331.7	285.4
Operating margin, %	**18.9**	19.5	18.5	19.8	20.9
Net financial items	**–4.0**	–6.7	0.9	–4.4	–2.3
Profit after net financial items	**376.2**	381.7	320.5	327.3	283.1
of which, depreciation and amortization	**81.3**	77.2	68.4	59.0	49.8
Capital expenditures, excluding corporate acquisitions	**149.2**	66.3	104.0	106.2	58.7
Return on capital employed, %	**27**	31	28	39	36
Average number of employees	**1,528**	1,468	1,343	1,386	1,157

KJELL-ARNE LINDBÄCK, PRESIDENT OF LESJÖFORS:

»We are strengthening our sales organization to generate greater synergies within the Group«

How would you summarize Lesjöfors's performance in 2016?
In our core business, we delivered a stable performance. During most of 2016, the markets in Europe showed no growth. However, we noted a slight increase toward the end of the year, particularly in Germany. Our relatively new operations in the US also displayed a stable performance and we are defending our margins in this market.

What were you most satisfied with?
I am very pleased with the acquisition we conducted in Asia in the spring. It's always a challenge to buy a business with manufacturing in three countries but since we took over, the companies have performed very well and delivered excellent margins. The integration has gone smoothly. We now have high hopes when it comes to leveraging synergies and allowing customers in Asia to access Lesjöfors's full offering.

How would you describe the market trend?
There is an underlying trend of large customers relocating their manufacturing operations in order to cut costs. When these companies establish operations in China or Mexico, for example, we find ourselves under greater pressure to serve them in these markets. Having a local presence around the world is a strength for us, particularly in a market such as Asia, where significant future growth is expected to occur.

What is the most important strategic issue facing the company?
Our ability to protect our decentralized approach while also generating greater synergies within the Group. We are strengthening our sales organization in order to enable greater cross-organizational work and cooperation between our operations. To do so, our sales efforts must be better coordinated so that the right expertise is used for the right customer projects. This will allow us to market other opportunities to our customers – not only in terms of products but also with respect to manufacturing, deliveries, local support and other features that strengthen our offering.

What was the biggest news at the company during the year?
The US industrial spring operations are now fully established in new premises. We also established an infrastructure of Chassis Springs in the US. This is enabling us to expand our sales of chassis springs to an entirely new market. We have significantly expanded the capacity of our Slovakian plant, which is creating opportunities for growth.

What will be the company's main focus in 2017?
Generally speaking, we will focus on generating more synergies within Lesjöfors. This will help to broaden the offering to customers and allow us to provide them with better local service worldwide.

Chassis Springs

Lesjöfors is the clear market leader in chassis springs for the aftermarket in Europe. The company offers a comprehensive range of vehicle springs for European and Asian cars and light trucks. Its main competitive advantages are its proprietary development and manufacturing and its superior delivery precision.

Performance in 2016

- Growth in the German, Eastern Europen and Russian markets.
- Lower volumes in Scandinavia and the UK.
- Price pressure as a result of ongoing acquisitions and consolidation among customer companies.
- Investments in product range development and distribution at the plant in the UK.
- Sales totaled MSEK 533 (567).

Customers and market

Lesjöfors sells chassis springs to spare parts companies and is the predominant supplier in Europe. Its largest markets are the UK, Germany, Russia, Sweden and the other Scandinavian countries. The company's sales, which include replacement springs for European and Asian cars and light trucks, are dominated by some ten customers. Eastern Europe is one of the world's most expansive markets. Lesjöfors is the only chassis springs manufacturer in Russia with its own sales organization. There is a trend toward increased acquisitions and mergers among customer companies. This means that the market is gradually being consolidated and price pressure is growing.

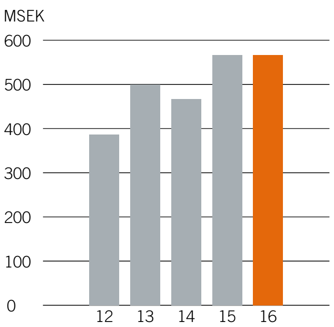
Competitive advantages

One of Lesjöfors's strongest competitive advantages is its high service level. Customers have access to a comprehensive range of chassis springs, which can be delivered throughout Europe within 24 hours with 99 percent delivery precision. Another competitive advantage is that Lesjöfors both manufactures and stocks chassis springs, making it an expert in all stages of the value chain – from design and production to inventory management, distribution and service. Lesjöfors also boasts genuine spring expertise and connections with customer companies throughout the automotive industry.

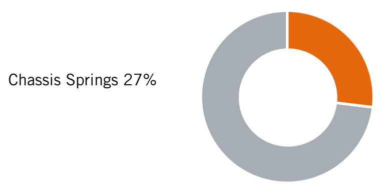
Offering

Lesjöfors has the market's broadest range of quality-assured vehicle springs. In addition to chassis springs, the company also stocks a wide selection of gas springs, leaf springs and sport spring kits. Most products are manufactured at plants in Sweden, the UK and Latvia. Lesjöfors also has regional logistics centers that ensure customer service and delivery precision. The company engages in extensive product development, with about 500 new vehicle springs launched each year. During the year, Lesjöfors also began developing the necessary infrastructure for distribution in North America.

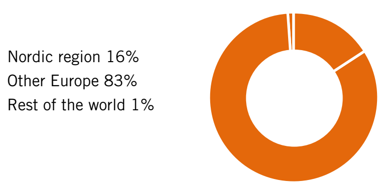
INVOICING



SHARE OF LESJÖFORS'S SALES



SALES PER MARKET



CHASSIS SPRINGS

- Lesjöfors is a leader in the European spare parts market for chassis springs. Manufacturing and development are carried out at ultramodern plants. All chassis springs are made from high-quality spring steel, resulting in consistent high quality throughout the product range.
- The company's range covers essentially all European and Asian vehicles. The markets in the UK, Germany, Scandinavia and Russia account for about 80 percent of sales.
- The company's distribution centers in Sweden, Germany, the UK and Russia have more than 1,300,000 chassis springs in stock, ensuring high availability, short lead times and low distribution costs.

Industry

Lesjöfors commands a strong position in industrial springs and conducts operations in Europe, Asia and North America. Its competitive advantages include its spring expertise and problem-solving ability, which enable numerous customized products to be developed every year. Thanks to its global production and delivery capacity, the company is able to match the needs of its customers in all major markets

Performance in 2016

- Stable performance in main markets. Lesjöfors defended its margins and market shares.
- Acquisition of the John While Group spring company, with manufacturing operations in Singapore, China and Thailand.
- New investments boosted the manufacturing capacity of the plant in Slovakia.
- Focus on sales synergies to give more customers access to the Group's full product range.
- Sales totaled MSEK 1,476 (1,429).

Customers and market

The largest customer segments comprise industrial companies in such areas as the automotive, engineering, agricultural, electronic, power and construction industries. A significant portion of demand comes from the automotive industry, which is a major driver of industrial trends in Europe. Lesjöfors's main markets are Sweden and the other Scandinavian countries, Germany, the UK, China and North America. A growing number of companies are moving their production to low-cost countries. This means that Lesjöfors must also be able to respond to customer demands in these markets.

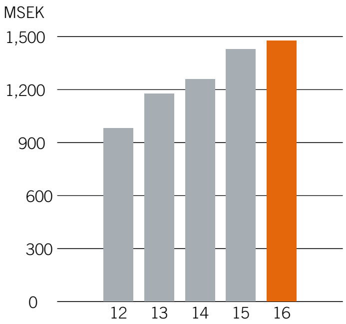
Competitive advantages

Lesjöfors is a technical service company whose spring expertise and problem-solving ability represent strong competitive advantages. Nearly all products are customer-specific and the ability to develop and manufacture the right product for the right customer is one of the company's main strengths. Another is its cost-efficient production. Lesjöfors offers low-cost manufacturing as well as deliveries and customer support on three continents. The company currently has 25 production units in 12 countries. In all major markets, these units function as sales and production platforms for Lesjöfors.

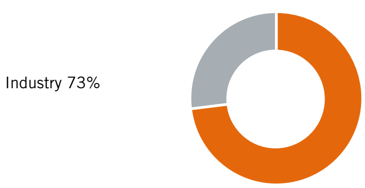
Offering

The offering is broad and includes springs, wire and flat strip components for most technical applications. All of the plants employ sales engineers, who develop thousands of brilliant new components every year – from concept to finished product. In addition to customized products, Lesjöfors offers a proprietary range of standard springs. 80 percent of sales are conducted outside Sweden. As Lesjöfors becomes increasingly global, more investments are being made in sales synergies. Better coordination will increase cross-selling and give more customers access to the Group's full product range.

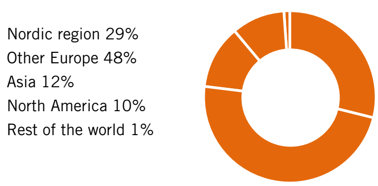
INVOICING



SHARE OF LESJÖFORS'S SALES



SALES PER MARKET



INDUSTRY

- Lesjöfors manufactures cushioning components for engineering applications, such as cameras, locks and medical technology. The dimension of the wire used ranges from 0.2 millimeters to 65 millimeters. In addition to spring wires, the company also manufactures retaining rings and other products with cushioning properties.
- Most of the springs in this segment are customized. Many products are complex and manufactured based on demands for function, performance and reliability. The location of the springs is often predetermined based on the product's structure, which can impact their design and manufacture.
- The design of the spring is also determined by the length of its service life and its surrounding environment. An increasing number of Lesjöfors's spring products are being manufactured in stainless or high-alloy materials.

Habia Cable

Habia Cable is one of Europe's largest manufacturers of custom-designed cables. Most of its cables are used in high-tech applications in harsh environments. Its products often have unique properties and are made from high-performance materials that are able to withstand, for example, extreme temperatures, radioactivity, fire, bending or vibrations. Its operations are divided into two business areas: Telecom and Other Industry.

- Habia has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.
- Its main markets are Scandinavia, Germany, the UK, France, China, India and South Korea.
- The largest customer segments are telecom, nuclear power, defense, engineering, transport and other industry.

787

SALES. Sales totaled MSEK 787 (765).

12.3

OPERATING MARGIN. The operating margin was 12.3 percent (12.9).

CHINA

TELECOM. The relocation of the company's manufacturing and product-development operations to China has strengthened its competitiveness.

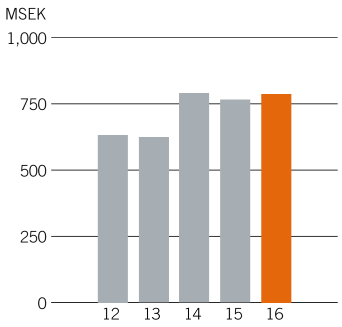
97

OPERATING PROFIT. Operating profit totaled MSEK 97 (99).

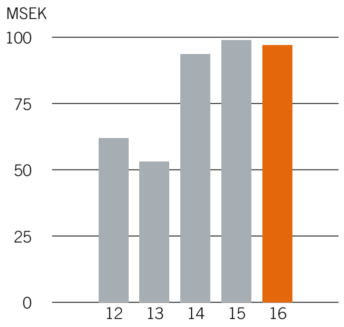
INVOICING RECORD

NUCLEAR POWER. Habia has made major market investments in the area of nuclear power and achieved an invoicing record in 2016.

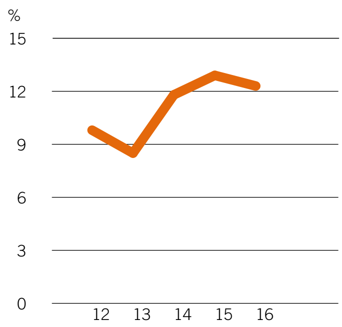
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK	2016	2015	2014	2013	2012
Net revenues	**786.8**	765.1	790.2	624.3	632.4
Cost of goods sold	**–508.0**	–492.9	–530.5	–422.1	–421.3
Gross profit	**278.8**	272.2	259.7	202.2	211.1
Selling expenses	**–109.3**	–101.3	–93.4	–84.7	–89.7
Administrative expenses	**–72.5**	–71.9	–72.7	–64.3	–51.9
Operating profit	**97.0**	99.0	93.6	53.2	61.9
Operating margin, %	**12.3**	12.9	11.8	8.5	9.8
Net financial items	**–3.7**	–2.9	–4.1	–4.3	–4.3
Profit after net financial items	**93.3**	96.1	89.5	48.9	57.6
of which, depreciation and amortization	**25.9**	25.0	21.0	17.9	19.9
Capital expenditures, excluding corporate acquisitions	**49.3**	64.9	31.3	16.6	8.6
Return on capital employed, %	**22**	23	24	14	18
Average number of employees	**595**	598	550	483	462

CARL MODIGH, PRESIDENT OF HABIA CABLE:

»It's a matter of having a focused strategy and the strength to follow through«

How would you summarize Habia Cable's performance in 2016?
It's been a mixed year. Invoicing was stronger than in the preceding year, while order bookings were weaker. This is mainly because our core business is project based and often results in this type of variation. Habia's earnings remain at a very strong level for the industry, but have been burdened by increasing costs. Segments such as industry, telecom and defense saw marginally positive growth.

What were you most satisfied with?
The growth of the cable harness operations in Poland was gratifying. As were our record-breaking deliveries in the nuclear segment. I was also pleased that the relocation of the telecom operations to China in 2015 achieved such a clear result, partly in the form of cost reductions.

How would you describe the market trend?
Within telecom, demand for high-performance products is increasing – even among customers who previously worked primarily with low-performance products. The fact that technical requirements are becoming stricter is positive for Habia. Within nuclear power, the trend continues to move to toward more stringent fire requirements, stricter testing methods, higher demands on documentation and increased supplier inspections. We are also seeing a growth in activity in the defense market. Defense budget cuts in Europe appear to be a thing of the past. Instead, we are now seeing a need for stronger defense capabilities. The industrial market has been rather cautious while offshore faced a difficult year.

What is the most important strategic issue facing the company?
Growing while remaining profitable in a market with extremely limited growth and intensifying competition. This will require a focused strategy and the strength to follow through. Second best is not good enough. At the same time, our customers are being impacted by technological advances, new environmental requirements and digitization, so we must take advantage of the opportunities available to us.

What was the biggest news at the company during the year?
We are further developing the Flexiform range of coaxial cables for base-station antennas. The most recent version, which offers the same performance but is cheaper and more compact, has attracted considerable interest in the market. We also obtained approval for a new type of water-tight cable for submarines under the German standard, which will generate new business opportunities both in and outside Germany.

What will be the company's main focus in 2017?
Securing our first major orders in offshore, an area where we made significant investments in 2016. We will also become even more competitive in terms of lead times to customers in the industry segment.

Telecom

Habia has a comprehensive range of cables for base-station antennas and is the global market leader in this area. Its main competitive advantages are the quality and technical properties of its products, which improve customers' telecom equipment. Manufacturing in China also helps to strengthen the company's competitiveness.

Performance in 2016

- Cautious market trend, with the exception of China and India, where major investments are being made in the mobile network.
- Demand is largely being driven by the expansion of the 4G mobile standard. Since the expansion is being conducted in different phases in each market, variations in demand arise.
- By concentrating its operations to China, Telecom has reduced its costs.
- The launch of Flexiform MLF – a new product that offers customers lower costs with the same performance and meets the need for a thinner, lighter cable.
- Sales totaled MSEK 282 (297).

Customers and market

Customers are antenna manufacturers in mobile telecom. The market is dominated by a small number of European, Asian and US companies. Within Telecom, Habia has a specialized sales organization in its main markets and is able to cover all customer needs through its broad range of cables. The trend is moving toward customers demanding cables with higher quality and technical performance at the same time as cost pressure is strong. As a leading quality supplier, Habia is benefiting from this trend. Compared with the competition, Habia's unique, proprietary products offer higher performance at a lower cost. It is also important to consider the fact that mobile network traffic is growing. Over the next five years, the volume of traffic is expected to increase tenfold. This will also result in even higher demands on capacity and performance.

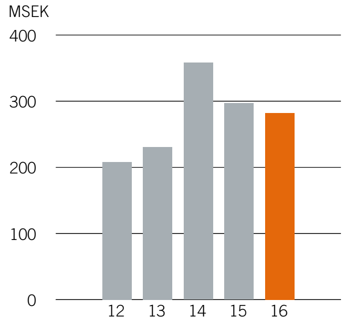
Competitive advantages

Quality, innovation and a broad product range are key strengths. The high quality of the cables improves the efficiency of customer production and reduces costs. Habia's products have a unique design. Among other features, its cables boast superior damping and thus help to increase the range of base-station antennas. Its products also offer higher performance at a significantly lower price.

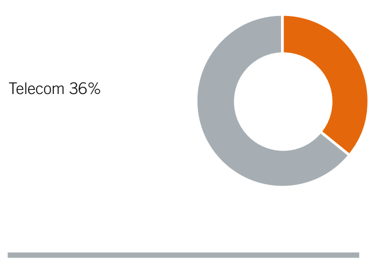
Offering

Habia's telecom cables are mainly used for base-station antennas. Its best known brand is Flexiform, which is available in a large number of models. New products are launched regularly in other to meet changing technical, environmental and cost requirements. All manufacturing and product development are concentrated to China, which has reduced costs and improved the company's competitiveness. The relocation to China was the company's largest investment project to date and enabled its manufacturing capacity to be expanded. By gathering its operations in the same location, the company is able to carry out development projects more quickly and adapt its manufacturing capacity to demand.

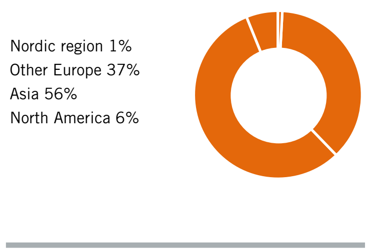
INVOICING



SHARE OF HABIA'S SALES



SALES PER MARKET



TELECOM

- Habia is a global market leader in cables for base-station antennas. The company has by far the broadest range in the market in this application area. Telecom cables from Habia are also known for their high quality and performance.
- Habia's strongest brand in Telecom is Flexiform. This flexible, reliable and easy-to-use cable was launched in the mid-1990s. Signal transfers in base-station antennas represent the largest application area for Flexiform, which is currently available in some ten product models.
- Other brands include Multibend, Speedfoam and Speedflex. All development and manufacturing of these products takes place at Habia's plant in China, which has been expanded by approximately 5,000 square meters over the past year.

Other Industry

Habia develops and manufactures custom-designed cables for demanding applications. Its products are used in industries with high technical demands where customization is key. Its main competitive advantages are its innovative ability and flexible production capacity when it comes to cables, which are often manufactured in small volumes.

Performance in 2016

- Lower order bookings, but significantly higher invoicing and record-breaking deliveries in nuclear power.
- Marginally positive growth in the defense and other industry segments.
- Investments within offshore.
- Growth and new investments in the cable harness operations in Poland.
- Sales totaled MSEK 505 (468).

Customers and market

Habia's customers demand cables that are adapted to meet specific requirements and needs. In many cases, these cables are used in demanding environments where products must be able to withstand, for example, extremely high or low temperatures, fire, bending, water or radiation. To meet these demands, many of the cables are made from durable, high-performance materials.

The company's sales encompass about 30 countries. Its largest customer segments are nuclear power, defense, offshore and other industry. Its main markets are Germany, France, the UK, the Netherlands, South Korea and the Scandinavian countries. The sales organization is global, with local sales offices in every major market. The products are customized by designers at the plants and in the sales companies.

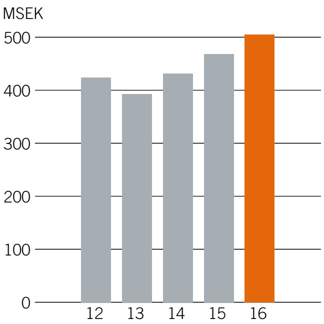
Competitive advantages

Habia's innovative ability and technical expertise represent a strong competitive advantage and provide a foundation for its customer-driven development of cables and cable harnesses. Since many specially adapted cables are manufactured in small volumes, the company's flexible production is also a strength. Other competitive advantages include short lead times and the ability to deliver cable products to customers worldwide. In Sweden, Habia also has a Group-wide research and development division, which focuses, for example, on the development of casing and insulating materials.

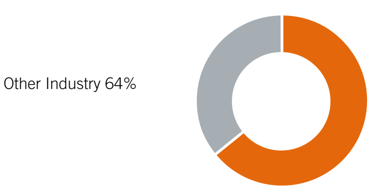
Offering

Habia manufactures industrial cables in Sweden, Germany and China as well as cable harnesses in Poland. Signal and control cables are the most common products and are used, for example, in measuring equipment and steering and regulation applications. Habia's cables and cable harnesses are used in military applications, electric hand tools, gas turbines and marine diesel engines. One the most expansive areas in the nuclear power industry, where Habia has made major investments in recent years. Cable harnesses are another growth area where Habia's capacity has gradually grown.

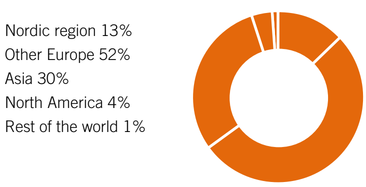
INVOICING

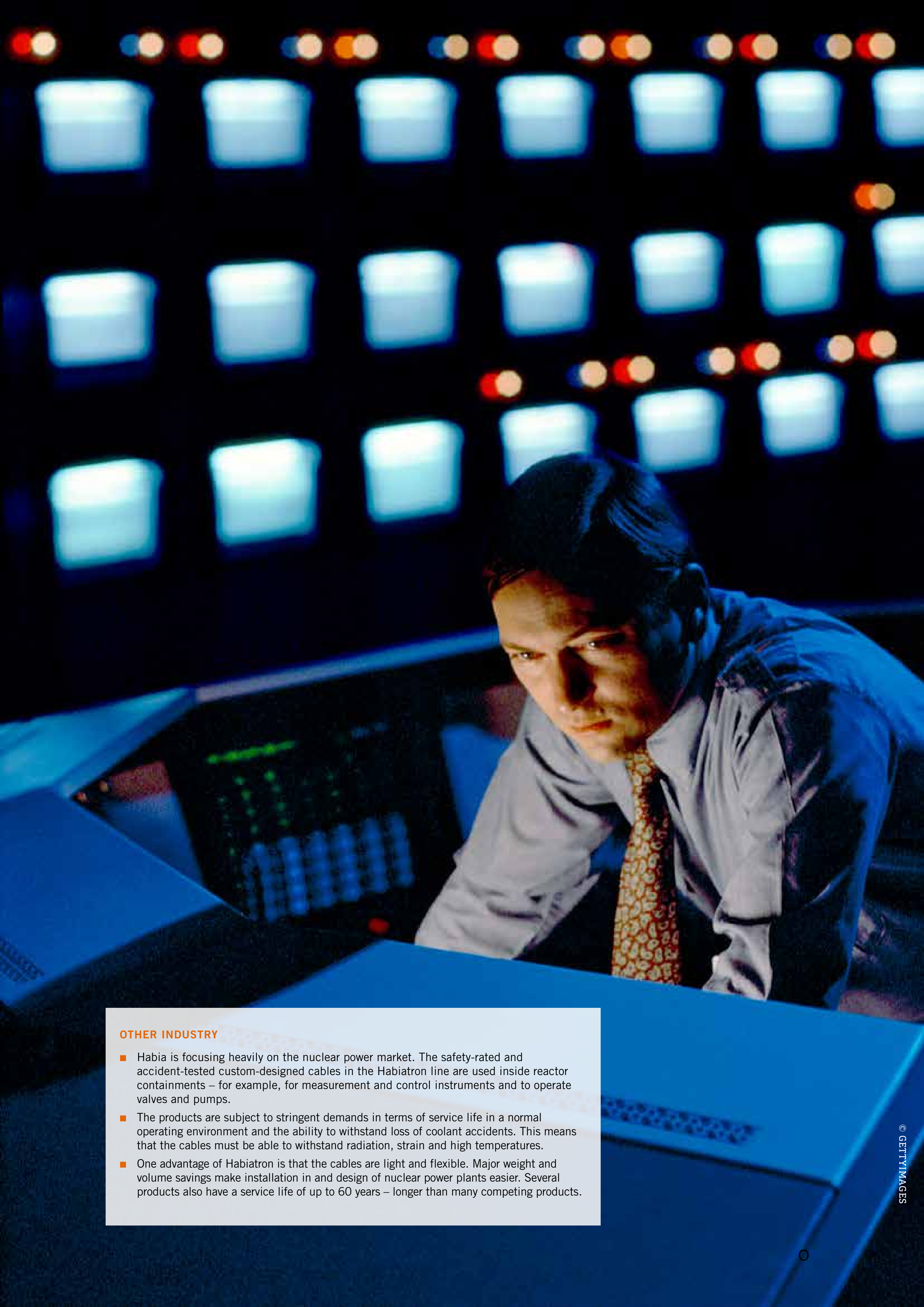


SHARE OF HABIA'S SALES



SALES PER MARKET





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OTHER INDUSTRY

- Habia is focusing heavily on the nuclear power market. The safety-rated and accident-tested custom-designed cables in the Habiatron line are used inside reactor containments – for example, for measurement and control instruments and to operate valves and pumps.
- The products are subject to stringent demands in terms of service life in a normal operating environment and the ability to withstand loss of coolant accidents. This means that the cables must be able to withstand radiation, strain and high temperatures.
- One advantage of Habiatron is that the cables are light and flexible. Major weight and volume savings make installation in and design of nuclear power plants easier. Several products also have a service life of up to 60 years – longer than many competing products.

Beijer Tech

Beijer Tech specializes in industrial trading and, to a certain degree, manufacturing. The company sells machinery and consumables to customers in the Nordic region. Its operations are divided into two business areas: Fluid Technology and Industrial Products.

- Beijer Tech represents world-leading manufacturers and has a local presence in several locations in the Nordic region.
- The largest market is Sweden, which accounts for about 70 percent of sales.
- Customers operation in a number of industries in the Nordic region. Sales are made directly to the end customer or through retailers.

731

SALES. Sales totaled MSEK 731 (761).

1.1

OPERATING MARGIN. The operating margin was 1.1 percent (2.3).

COST ADJUSTMENTS

INDUSTRIAL PRODUCTS. Organizational changes and efficiency enhancements have started to yield results.

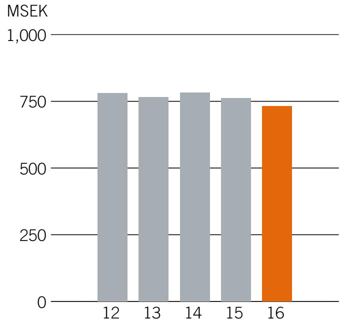
8

OPERATING PROFIT. Operating profit totaled MSEK 8 (18).

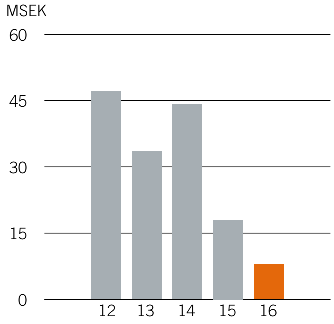
INCREASED SALES

FLUID TECHNOLOGY. Increased sales and growing market share in 2016.

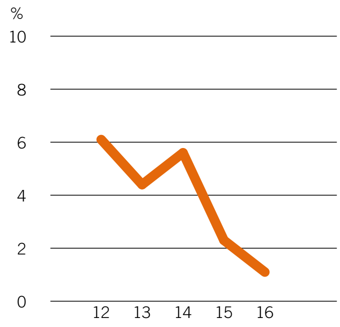
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK	2016	2015	2014	2013	2012
Net revenues	**731.1**	760.6	782.1	765.6	780.3
Cost of goods sold	**–541.1**	–558.2	–556.6	–555.5	–563.9
Gross margin	**190.0**	202.4	225.5	210.1	216.4
Selling expenses	**–115.2**	–116.9	–115.2	–110.0	–104.5
Administrative expenses	**–66.9**	–68.0	–66.2	–66.5	–64.7
Operating profit	**7.9**	17.5	44.1	33.6	47.2
Operating margin, %	**1.1**	2.3	5.6	4.4	6.1
Net financial items	**–0.5**	–0.5	–0.6	–2.0	–0.8
Profit after net financial items	**7.4**	17.0	43.5	31.6	46.4
of which, depreciation and amortization	**7.1**	8.0	8.5	9.4	8.7
Capital expenditures, excluding corporate acquisitions	**5.0**	5.1	3.9	3.1	3.1
Return on capital employed, %	**4**	7	17	13	19
Average number of employees	**211**	218	225	236	207

STAFFAN ANDERSSON, PRESIDENT OF BEIJER TECH:

»We are focusing more on manufacturing and processing in order to offer greater value for the customer«

How would you summarize Beijer Tech's performance in 2016?
In Fluid Technology, we reversed our downward trend and captured market shares for the first time in several years. In Industrial Products, we implemented a number of rationalization measures in order to break the negative profitability trend. These changes were made possible by a great deal of organizational work – from replacing a number of senior executives to efficiency enhancements within our administration and sales organizations.

What were you most satisfied with?
The fact that we were able to make major investments in our expertise and employees within Fluid Technology and capture market shares. Although it can take time to achieve results when new employees join a company, we were able to increase our sales this year. This is highly gratifying.

How would you describe the market trend?
We are seeing no improvements in the market situation for Nordic industry, to which we are exposed. Companies are continuing to relocate their manufacturing operations abroad, which is an unfortunate trend. Yet together with our customers – who are looking to improve their quality or reduce their production costs – we still have development opportunities. This will help us to partly offset this trend. The offshore market in Norway has also been very challenging.

What is the most important strategic issue facing the company?
Bringing the right managers and employees on board in each business segment and focusing fully on the most viable segments. In segments where we don't see potential, it's about cutting costs and discontinuing operations if we are unable to become profitable. At the same time, we need to focus more on manufacturing and processing in order to offer greater value for the customer. Offering something specific or different that customers value is a common denominator in all of the segments that are performing well.

What was the biggest news at the company during the year?
In Industrial Products, we have gone from eight independent companies to four national organizations with fewer managers and more cost-efficient operations. This change has been successful both internally and externally. The new structure was launched in January and we started to see positive effects toward the end of the year.

What will be the company's main focus in 2017?
Conducting acquisitions. Until now, we've spent a lot of time cleaning up and restructuring large areas of the business. As I've mentioned, now we need to continue developing the business segments with the best potential. And we need to do so both organically and by assessing new acquisition objects, such as manufacturing and processing operations that would strengthen the offering in Fluid Technology.

Fluid Technology

Fluid technology specializes in hoses and industrial rubber. The company's broad range and product expertise represent strong competitive advantages. Another strength is its focus on processing and customized products.

Performance in 2016

- Increased sales, with Fluid Technology capturing market shares during the year.
- Sales in the retailer segment and of customized products were the strongest.
- A new President took over at the beginning of the year. New employees were also recruited to the sales organization during 2016.
- Investments were made in new machinery that will increase the company's manufacturing capacity and expand the offering.
- Sales totaled MSEK 300 (292).

Customers and market

Fluid Technology operates in Sweden. Its products mainly include input goods for industrial manufacturing and components for operation and maintenance in a large number of industries. End users account for two-thirds of sales. The remaining volumes are managed through retailers. Fluid Technology holds strong positions in most product areas and is a market leader in industrial hoses in Sweden.

Competitive advantages

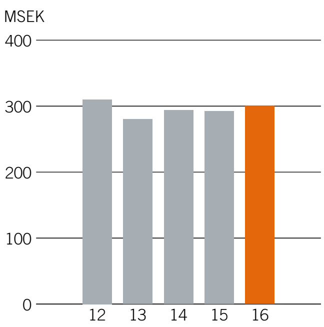
The company's extensive inventories of world-leading products and technical expertise represent strong competitive advantages that help customers improve their profitability and efficiency. The focus is not on the price of individual products but rather on the customer's overall finances. Products and advisory services are combined to create customized solutions that improve quality, increase cost efficiency or improve the work environment.

Added value is also created through in-house processing, with Fluid Technology becoming involved in the customer's product development at an early stage. This gives customers access to customized solutions that improve processes and designs. The percentage of customized products is growing steadily and Fluid Technology is making increasing investments in further developing this aspect of the business.

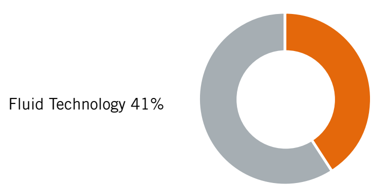
Offering

The product range includes 25,000 items, with a focus on quality goods. The offering is divided into two areas: fluid technology products (such as hoses, hose fittings and hydraulics) and industrial rubber (such as rubber sheeting, power transmission products and seals). The business is run through Lundgrens, which has warehouses, manufacturing and sales operations throughout Sweden. This provides customers with access to an efficient supply of goods, which optimizes operation and reduces the risk of downtime.

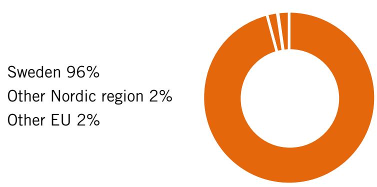
INVOICING



SHARE OF BEIJER TECH'S SALES



SALES PER MARKET



FLUID TECHNOLOGY

- Lundgrens holds a strong position in fluid technology and industrial rubber in Sweden. Its customers mainly include industrial companies and retailers. The broad range includes thousands of items, with hoses and couplings in various designs and dimensions.
- Many products are developed to suit the Nordic climate and some are manufactured in ozone, weather and wear-resistant rubber. Several products are also classified in accordance with industry standards, such as ISO 6805 and ISO 8030.
- In addition to working with leading manufacturers, Lundgrens also conducts a great deal of processing itself. Customers are offered adapted and upgraded quality products, assistance in developing prototypes and comprehensive support throughout the development process.

Industrial Products

Industrial Products has a comprehensive offering of products for surface treatment, foundries, steelworks and smelters for Nordic companies. It specializes in high-quality products and solutions that lower customers' total costs and improve their quality and competitiveness.

Performance in 2016

- Weak industrial economy in the Nordic region. In the Swedish market, the strongest trends were noted in the areas of die casting and blasting.
- Weak demand in the Norwegian offshore sector, while the Danish operations displayed a positive trend.
- Efforts continued to improve the efficiency of management functions, work methods and staffing.
- The negative profitability trend was reversed late in the year.
- Sales totaled MSEK 413 (469).

Customers and market

Industrial Products operates in Sweden, Norway, Denmark and Finland, with separate organizations and sales units. Sweden is the largest market and accounts for about 60 percent of sales. Norway and Denmark each account for approximately 15 percent of sales and Finland 10 percent.

The primary customer segments are foundries, companies specializing in metalworking, steelworks and smelters, the engineering and construction industry, and maintenance companies in such areas as the offshore sector. Industrial Products is the Nordic market leader in blasting and foundry products and holds a strong position in precision grinding.

Competitive advantages

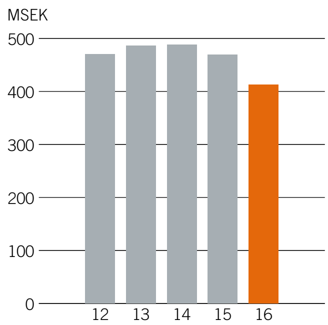
The company's expertise in sales and customer service represents a strong competitive advantage. It is this know-how that helps customers select the right products to improve the results of their manufacturing processes or raise the quality of their products. Collaboration with leading international suppliers means that customers always have broad access to the latest products in the market.

Offering

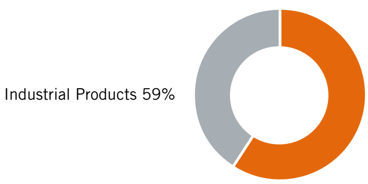
Industrial Products specializes in high-quality products and helping customers lower their total cost. It is not the price of individual products that is most important but rather how a product or solution strengthens the customer's productivity and competitiveness. The focus is on responding to the customer's needs with the right product quality and right usage.

The operations are divided into various business segments – grinding, blasting and tumbling, foundry machinery, foundry consumables, die casting, heat treatment, steelworks, heat-resistant material, projects and service, and offshore. Marketing in these segments is conducted under the Beijers, Tebeco, Karlebo, Norspray, Preben Z and PMU brands.

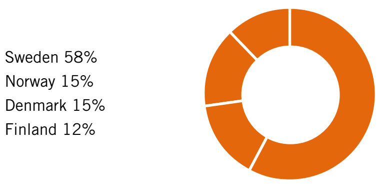
INVOICING



SHARE OF BEIJER TECH'S SALES



SALES PER MARKET



INDUSTRIAL PRODUCTS

- Surface treatment may include cleaning, leveling, polishing or rustproofing of materials or products. Beijer Tech commands strong positions in this area and focuses on everything from blasting and precision grinding to polishing and painting.
- The comprehensive offering includes machinery, consumables, spare parts and equipment from leading manufacturers and the company's own maintenance service. Customers mainly include various types of manufacturing companies and maintenance companies.
- Sweden is the largest market. Beijer Tech also offers surface treatment in Norway, Finland and Denmark.

Content

Corporate Governance Report

The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2016 financial year.

Group control

Beijer Alma AB is a Swedish public limited liability company listed on Nasdaq Stockholm (Stockholm Stock Exchange). 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.

Shareholders and the share

The shareholder register is maintained by Euroclear Sweden AB. The number of shareholders at year-end 2016 amounted to 10,967. The total number of shares was 30,131,100, of which 3,310,000 were Class A shares and 26,821,100 were Class B shares. Anders Wall, along with his family and companies, has a shareholding corresponding to 34.7 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 company's highest decision-making body, in which the shareholders make decisions on matters pertaining to Beijer Alma. The Annual General Meeting is 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 not more than six weeks and not less than four weeks prior to the Meeting 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 a maximum of two advisors.

A total of 645 shareholders were represented at the Annual General Meeting on April 5, 2016, representing 65.1 percent of the total number of shares and 80.7 percent of the total number of votes. The minutes from the Annual General Meeting are available on Beijer Alma's website.

The following resolutions were passed at the Annual General Meeting:

- To approve a dividend of SEK 9.50 per share.
- To re-elect Directors Carina Andersson, Marianne Brismar, Anders G. Carlberg, Peter Nilsson, Caroline af Ugglas, Anders Ullberg and Johan Wall. Anders Wall had announced his decision to decline re-election to the Board.
- To elect Johan Wall as Chairman of the Board.
- 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.

Nomination Committee

The Nomination Committee is responsible for preparing motions regarding the Board of Directors, Chairman of the

Board, Chairman of the Annual General Meeting, auditors and fees for resolution by the Annual General Meeting. A Nomination Committee was appointed by the 2016 Annual General Meeting to prepare motions in accordance with the above prior to 2017 Annual General Meeting. The individuals appointed were Anders Wall, in his capacity as principal owner, Chairman of the Board Johan Wall and three representatives of the next largest shareholders. These representatives were Mats Gustafsson (Lannebo Fonder), Hans Ek (SEB Fonder) and Henrik Didner (Didner & Gerge Fonder). In the event of a change in ownership 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.

In order to develop the work of the Board, an annual assessment is performed. Each director responded to a survey containing relevant questions regarding the work of the Board and how it can be improved. The Nomination Committee has been informed about the results of this survey and about the company's operations and other relevant circumstances. The Nomination Committee's motions will be presented in the notice of the 2017 Annual General Meeting. The Nomination Committee held six 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 the 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.

The Board is to comprise not fewer than seven and not more than ten regular directors and not more than two deputy directors elected by the Annual General Meeting. The Board currently comprises seven regular directors. Salaried employees in the Group may also participate in Board meetings to present certain matters. Attorney Niklas Elofsson of Vinge law firm serves as Board secretary.

The composition of the Board is presented in the table below. Director Johan Wall represents shareholders controlling more than 10 percent of the votes and capital in the company. All other directors are independent in relation to the company's major shareholders.

In 2016, the Board held seven 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 Beijer Tech'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. At one of these meetings, the auditor also provided information concerning accounting changes and their impact on Beijer Alma. The Board and President are presented in Note 3 on page 58.

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

- A minimum of seven Board meetings per year 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

The Board's work plan is reviewed annually and updated when necessary. The terms of reference issued to the President clarify the division of duties between the Board and the President as well as the responsibilities and authorities of the President. The Board receives monthly information regarding the performance of the Group and the individual companies in the form of a monthly report containing key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees.

Remuneration Committee

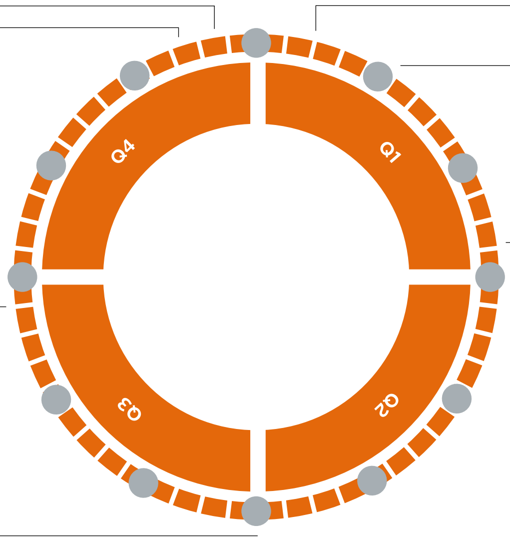
The Board has appointed a Remuneration Committee comprising Anders G. Carlberg, Anders Ullberg and Johan Wall, with Anders Ullberg serving as Chairman. The Remuneration Committee prepares motions regarding the President's salary and other employment terms. The Committee also prepares principles for remuneration to Group management and approves motions by the President regarding remuneration to Group

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
Johan Wall, Chairman	1997		X	X	X	7(7)		3,000
Carina Andersson, Director	2011	X	X			7(7)		2,000
Marianne Brismar, Director	2010	X	X			7(7)		10,000
Anders G. Carlberg, Director	1997	X	X	X		6(7)		3,000
Peter Nilsson, Director	2008	X	X			7(7)		3,000
Caroline af Ugglas, Director	2015	X	X		X	6(7)		1,500
Anders Ullberg, Director	2007	X	X	X	X	7(7)		15,000

Anders Wall served as Chairman of the Board until the 2016 Annual General Meeting and participated in 1 (7) Board meetings.

OPERATIONAL CONTROL



The subsidiaries 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. 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.

Beijer Alma manages the strategy process and contributesanalyses. 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.

management within the framework of the guidelines adopted by the Annual General Meeting.

The company's remuneration principles and guidelines are described in Note 2, and the Board of Directors' recommendation to the Annual General Meeting is that these remain unchanged for 2017. The Remuneration Committee held two meetings in 2016, which were attended by all members.

Audit Committee

In autumn 2016, the Board appointed an Audit Committee comprising Anders Ullberg (Chairman), Caroline af Ugglas and Johan Wall. The Group's CFO reports to the Committee. In the past, the Audit Committee comprised the entire Board of Directors.

The Committee's responsibilities include monitoring the financial reporting and discussing the company's risks and the scope of the audit with the auditor. The Committee is to hold four scheduled meetings per year and, during autumn 2016, the Committee held one meeting, which was attended by all members.

Code of Conduct

The Group's work related to CSR continued during the year. The Group's values have been compiled in a Code of Conduct based on internationally accepted conventions. The company's Code of Conduct focuses on people, the environment and ethics. For each of these areas, the Code describes the approach and values that apply at Beijer Alma. A brochure presenting and explaining Beijer Alma's Code of Conduct has been distributed to all employees. This brochure also contains e-mail addresses for reporting improprieties and other breaches of the Code of Conduct under the Group's whistleblower system. Additional information about the Group's CSR efforts is available on the website and on pages 10–11.

Operational control

Responsibility for the operational control of the Group rests with the CEO. Group management comprises the CEO, the presidents of the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, the Group's CFO and the Group's 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 strategic and deliberate 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. The actual business operations are conducted in the 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 individuals from outside the Group. As in the Parent Company, the work of the subsidiaries' boards of directors and the division of duties between the boards and the presidents of the subsidiaries are governed by work plans and terms of reference. The subsidiaries are also governed by a number of policies and instructions that regulate their operations, including the Code of Conduct, which is a key policy.

Beijer Alma is a holding company that owns three separate businesses, in which daily operational decisions are made locally by the subsidiaries. Financial reporting in the Group is therefore very important from a corporate governance perspective. A large part of the communication and discussions in the Group are based on internal financial reporting.

Each week, the subsidiaries report their order bookings, invoicing and stock of orders for each profit center. 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. Monthly financial statements are presented and discussed at monthly meetings with Group management and the subsidiary management groups. The Group's financial statements are released to the market quarterly.

In a decentralized organization, it is important that reporting and monitoring systems are transparent and reliable. 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 Audit Committee 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.

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. Other key components of the control environment are policies, procedures, instructions and manuals. Standardized reporting instructions are applied by all units in the Group.

Beijer Alma's financial reporting complies with the laws and regulations in effect for companies listed on Nasdaq Stockholm as well as the local rules that apply in the countries where the Group operates.

An important part of the internal control process involves identifying and assessing material risks that could result in the Group's objectives with respect to its financial reporting not being fulfilled. 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 incorporated into the Group's reporting procedures 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. 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 are performed to ensure that adequate internal controls are conducted at all levels. 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 2016 Annual General Meeting, PricewaterhouseCoopers (PwC) was elected as auditor until the 2017 Annual General Meeting. PwC has audited the Group for more than 20 years. Leonard Daun serves as Chief Auditor.

PwC is the auditor for the Parent Company Beijer Alma AB, the Group and most of the Group companies. The Group's auditor reports his observations to the Audit Committee at the 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 early in the year, but improved during the fourth quarter. Sales to the telecom sector and sales of chassis springs were lower than the strong figures reported in 2015. Demand from the engineering industry was stable, with an improvement noted in the fourth quarter.

Order bookings amounted to MSEK 3,530 (3,548) and invoicing to MSEK 3,528 (3,522). Corporate acquisitions and fluctuations in exchange rates had a net positive effect of 0.5 percent on order bookings and invoicing. 79 percent (76) of sales were conducted outside Sweden. The share of foreign sales was 87 percent (87) in Lesjöfors, 95 percent (95) in Habia and 31 percent (30) in Beijer Tech.

Operating profit totaled MSEK 455 (477) and the operating margin was 12.9 percent (13.6). Exchange rates and forward agreements had a marginal impact on earnings. Profit after net financial items totaled MSEK 447 (467), while net profit amounted to MSEK 328 (354). Earnings per share amounted to SEK 10.87 (11.74). In the past five years, the Group performed as follows:

MSEK	**2016**	2015	2014	2013	2012
Net revenues	**3,528**	3,522	3,298	3,066	2,780
Profit after net financial items	**447**	467	424	385	362
Net profit	**328**	354	319	289	269
Shareholders' equity	**1,902**	1,835	1,745	1,611	1,520
Total assets	**3,152**	2,870	2,744	2,548	2,395

Subsidiaries

Lesjöfors is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. Order bookings amounted to MSEK 2,028 (1,998) and invoicing to MSEK 2,009 (1,996). Corporate acquisitions and fluctuations in exchange rates had a net positive impact of 1 percent on order bookings and invoicing. Operating profit totaled MSEK 380 (388).

Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Adjusted for acquisitions and exchange rates, the volumes in Industry rose 2 percent, while Chassis Springs declined 5 percent.

The acquisition of John While Group, which operates in Southeast Asia, has progressed well in terms of volumes and profitability over the eight months since the company was included in the Group.

Habia Cable is a manufacturer of custom-designed cables. Order bookings fell 3 percent to MSEK 770 (790) and invoicing increased 3 percent to MSEK 787 (765). Fluctuations in exchange rates had a negative impact of 1 percent on order bookings and invoicing. Operating profit amounted to MSEK 97 (99).

Habia's products are sold to a number of customer segments, such as telecom, defense, nuclear power and industry. A relatively stable trend was noted in all of these segments, with no major changes compared with 2015.

Beijer Tech conducts industrial trading in two business areas: Industrial Products and Fluid Technology. Order bookings and invoicing fell 4 percent to MSEK 731 (761). Operating profit totaled MSEK 8 (18). Nonrecurring costs of MSEK 10 were incurred during the year and related to personnel changes and inventory liquidation.

Both Industrial Products and Fluid Technology faced a weak market.

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 277 (288) and included dividends and Group contributions from subsidiaries totaling MSEK 312 (322).

Capital expenditures

Investments in fixed assets, excluding corporate acquisitions, amounted to MSEK 204 (136), compared with depreciation totaling MSEK 117 (111). Of these investments, MSEK 65 pertained to properties in the Lesjöfors Group. The investments were distributed as follows: MSEK 150 in Lesjöfors, MSEK 49 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 174 (251) and included corporate acquisitions totaling MSEK 78 (1). Excluding corporate acquisitions, cash flow amounted to MSEK 252 (252).

Net debt, meaning interest-bearing liabilities less cash and cash equivalents, totaled MSEK 313 (194) at year-end. Net debt in relation to shareholders' equity (net debt/equity ratio) amounted to 16.5 percent (10.6). Available liquidity, which is defined as cash and cash equivalents plus approved but unutilized committed credit facilities, totaled MSEK 968 (883). The equity ratio was 60.3 percent (64.0).

Return on capital employed

The return on average capital employed was 19.1 percent (21.7), while the return on average shareholders' equity was 18.7 percent (20.3).

Corporate acquisitions
During the year, Lesjöfors acquired John While Group in Southeast Asia and the Swedish company AB Spiralspecialisten. The companies are presented in Note 38, including acquisition calculations.

Employees
The number of employees was 2,340 (2,262), corresponding to an increase of 78. Lesjöfors's acquisition of John While Group increased the number of employees by 115. The acquisition of Spiralspecialisten took place on December 31, 2016 and did not impact the number of employees. Lesjöfors and Habia conduct a certain amount of manufacturing in China, Thailand, Singapore, Latvia, Slovakia, Poland and Mexico, where salary costs are lower. The number of employees in these countries increased by 97 to 833. The number of employees in Sweden was 668 (697).

Note 2 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.

During the year, Anders Wall stepped down as Chairman of the Board and was replaced by Johan Wall.

Ownership conditions
Beijer Alma has approximately 11,000 shareholders (8,500). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.7 percent of the capital and 34.7 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 13.5 percent, Didner & Gerge Fonder with 8.2 percent and Verdipapirfond Odin with 7.7 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 is discussed in connection with employee training and is communicated to customers, suppliers and other stakeholders.

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
- 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

In 2016, the Group integrated its sustainability work into its other strategic work, which means that the Code of Conduct serves as a pillar for strategic decisions. Beijer Alma's sustainability strategies are made more tangible through long-term objectives established at Group level. At the local level, the companies work toward detailed objectives, mainly within the framework of ISO 14001 but also within the framework of the UN global sustainable development goals.

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 31. 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 apart from the potential consequences of the UK's decision to leave the EU, as detailed below.

In 2016, a referendum was held to determine whether or not the UK would leave the EU and the pro-Brexit camp received the majority of the votes. At present, there is considerable uncertainty regarding the timeline and consequences of the UK's exit. Beijer Alma's sales in the UK amounted to MSEK 306 (373) in 2016. Of the products sold, approximately 85 percent are manufactured locally in the UK. Beijer Alma's deliveries from the UK to other countries in the EU are negligible.

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

Outlook for 2017
Demand improved in the fourth quarter, particularly in Lesjöfors and Habia. This trend continued in early 2017, providing a solid foundation for favorable volume and earnings trends in the first quarter of 2017.

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	
Retained earnings	12,821,677
Net profit for the year	276,501,359
Total	289,323,036
to be appropriated as follows:	
Ordinary dividend to shareholders of SEK 9.50 per share	286,245,450
To be carried forward	3,077,586

Board of Directors' statement concerning the proposed dividend
After the proposed dividend, the Parent Company's equity ratio will amount to 67 percent and the Group's equity ratio to 53 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 2016	Group 2015	Parent Company 2016	Parent Company 2015
Net revenues	4,5	**3,527,516**	3,521,876	**–**	–
Cost of goods sold	2,9,10	**–2,381,720**	–2,367,794	**–**	–
Gross profit		**1,145,796**	1,154,082	**0**	0
Selling expenses	2,9,10	**–368,717**	–366,056	**–**	–
Administrative expenses	2,6,9,10	**–324,345**	–313,252	**–48,005**	–45,771
Other operating income	7	**–**	–20	**18,200**	18,200
Profit from participations in associated companies	8	**2,420**	2,519	**–**	–
Operating profit	9,10	**455,154**	477,273	**–29,805**	–27,571
Income from participations in Group companies	11	**–**	–	**260,000**	270,000
Interest income		**1,230**	1,014	**729**	612
Interest expenses		**–9,354**	–11,436	**–681**	–946
Profit after net financial items		**447,030**	466,851	**230,243**	242,095
Group contributions received		**–**	–	**58,092**	57,122
Group contributions paid		**–**	–	**–6,009**	–5,007
Tax on net profit for the year	12	**–119,390**	–113,134	**–5,825**	–6,130
Net profit attributable to Parent Company shareholders		**327,640**	353,717	**276,501**	288,080
Other comprehensive income					
Items that may be reclassified to profit or loss					
Cash-flow hedges after tax		**–5,765**	12,586	**–**	–
Translation differences		**30,588**	–19,653	**–**	–
Total other comprehensive income		**24,823**	–7,067	**0**	0
Total profit attributable to Parent Company shareholders		**352,463**	346,650	**276,501**	247,752
No share of the Group's comprehensive income is attributable to non-controlling interests					
Net earnings per share before and after dilution, SEK	13	**10.87**	11.74	**–**	–
Proposed/adopted dividend per share, SEK		**–**	–	**9.50**	9.50

Amounts in SEK 000s	Note	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	14	**541,302**	498,398	**–**	–
Other intangible assets	15	**9,328**	10,171	**–**	–
Tangible assets					
Land and land improvements	16	**50,359**	41,209	**–**	–
Buildings	17	**301,515**	212,831	**–**	–
Plant and machinery	18	**506,731**	466,294	**–**	–
Equipment, tools, fixtures and fittings	19	**46,181**	37,954	**1,226**	1,142
Deferred tax assets	29	**19,059**	18,652	**–**	–
Financial assets					
Other long-term receivables		**4,844**	7,056	**–**	–
Participations in associated companies	20	**25,454**	21,676	**–**	–
Participations in Group companies	21	**–**	–	**532,196**	532,196
Total fixed assets		**1,504,773**	1,314,241	**533,422**	533,338
Current assets					
Inventories	22	**717,929**	673,298	**–**	–
Receivables					
Accounts receivable	23	**578,664**	550,283	**–**	–
Tax assets		**3,862**	–	**–**	–
Receivables from Group companies		**–**	–	**361,877**	367,009
Other receivables	24	**39,281**	31,390	**–**	2
Prepaid expenses and accrued income	25	**33,038**	48,394	**902**	500
Cash and cash equivalents	26	**273,606**	252,179	**3,072**	9,326
Total current assets		**1,646,380**	1,555,544	**363,527**	376,837
Total assets		**3,151,153**	2,869,785	**896,949**	910,175

Amounts in SEK 000s	Note	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	27				
Share capital		**125,546**	125,546		
Other contributed capital		**444,351**	444,351		
Reserves		**50,622**	25,799		
Retained earnings, including net profit for the year		**1,280,987**	1,239,592		
Shareholders' equity attributable to Parent Company shareholders		**1,901,506**	1,835,288		
Non-controlling interests		**3,820**	3,656		
Total shareholders' equity		**1,905,326**	1,838,944		
Share capital				**125,546**	125,546
Statutory reserve				**444,351**	444,351
Total restricted equity				**569,897**	569,897
Retained earnings				**12,822**	10,987
Net profit for the year				**276,501**	288,080
Total non-restricted equity				**289,323**	299,067
Total shareholders' equity				**859,220**	868,964
Non-current liabilities					
Deferred tax	29	**64,017**	54,263		
Pension obligations	30	**2,114**	2,037		
Liabilities to credit institutions	31	**242,843**	205,997		
Total non-current liabilities		**308,974**	262,297		
Current liabilities					
Committed credit facilities	31	**267,221**	183,913	**14,685**	19,083
Liabilities to Group companies		**–**	–	**7,657**	7,606
Accounts payable		**236,975**	185,722	**770**	1,013
Tax liabilities		**–**	11,854	**70**	772
Accrued expenses and deferred income	32	**283,994**	263,792	**16,131**	12,296
Liabilities to credit institutions	31	**76,682**	56,321	**–**	–
Other current liabilities	33	**71,981**	66,942	**740**	441
Total current liabilities		**936,853**	768,544	**37,729**	41,211
Total shareholders' equity and liabilities		**3,151,153**	2,869,785	**896,949**	910,175

Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. profit	Total	Non-controlling interest	Total shareholders' equity
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**
Net profit for the year				327,640	327,640		327,640
Other comprehensive income			24,823		24,823		24,823
Dividend paid				–286,245	–286,245		–286,245
Non-controlling interests (translation difference)					0	164	164
December 31, 2016	**125,546**	**444,351**	**50,622**	**1,280,987**	**1,901,506**	**3,820**	**1,905,326**

Parent Company	Share capital	Statutory reserve	Retained earnings	Net profit for the year	Total shareholders' equity
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**	**10,987**	**288,080**	**868,964**
Reclassification of net profit for the preceding year			288,080	–288,080	0
Dividend paid			–286,245		–286,245
Net profit for the year				276,501	276,501
December 31, 2016	**125,546**	**444,351**	**12,822**	**276,501**	**859,220**

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

Amounts in SEK 000s	Note	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
Operating activities					
Operating profit/loss		**455,154**	477,273	**–29,805**	–27,571
Net interest paid and other financial items	36	**–7,738**	–9,572	**317,048**	287,667
Income tax paid		**–125,759**	–119,755	**–6,527**	–5,845
Items not affecting cash flow	37	**114,880**	108,060	**56**	38
Net cash generated from operating activities before change in working capital and capital expenditures		**436,537**	456,006	**280,772**	254,289
Change in inventories		**–22,201**	–36,817	**–**	–
Change in receivables		**8,146**	–54,119	**4,732**	–5,472
Change in current liabilities		**42,554**	–1,819	**–975**	2,193
Cash flow from operating activities		**465,036**	363,251	**284,529**	251,010
Investing activities					
Investments in tangible assets		**–215,037**	–117,703	**–140**	–56
Investments in intangible assets		**–479**	–2,147	**–**	–
Change in other financial assets		**2,212**	8,440	**–**	–
Acquisitions of companies less cash and cash equivalents	38	**–78,117**	–	**–**	–
Cash flow from investing activities		**–291,421**	–111,410	**–140**	–56
Cash flow after capital expenditures		**173,615**	251,841	**284,389**	250,954
Financing activities					
Increase in liabilities/new loans		**194,591**	156,008	**–**	13,114
Repayment		**–60,534**	–90,851	**–4,398**	–
Dividend paid		**–286,245**	–256,114	**–286,245**	–256,114
Cash flow from financing activities		**–152,188**	–190,957	**–290,643**	–243,000
Change in cash and cash equivalents		**21,427**	60,884	**–6,254**	7,954
Cash and cash equivalents at beginning of year		**252,179**	191,295	**9,326**	1,372
Cash and cash equivalents at end of year	26	**273,606**	252,179	**3,072**	9,326
Unutilized committed credit facilities		**649,343**	630,834	**257,298**	255,917
Available liquidity		**922,949**	883,013	**260,370**	265,243

All amounts in SEK 000s unless otherwise stated

Note 1 Summary 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 2016 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, 2016 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. Beijer Alma does not intend to apply the standard in advance. The Group has not yet assessed the impact of the implementation of this standard but does not expect it to impact the Group's earnings or financial position.

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.

IFRS 15 will take effect on January 1, 2018. Advance application is permitted. The Group's preliminary analysis of IFRS 15 shows that the standard is not expected the have a material impact other than resulting in a higher number of disclosures in the Annual Report.

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.

Amendments to IAS 7 Statement of Cash Flows. Effective from January 1, 2017 but advance application is permitted. These amendments entail additional disclosure requirements to enable users of the company's financial statements to evaluate changes in the company's liabilities for which cash flows are recognized under financing activities in the cash-flow statement These disclosures are to be illustrated through an analysis of opening and closing balances. These amendments are expected to result in additional disclosures in Beijer Alma's Annual Report for 2017.

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 14. Note 14 also states that as of 2016, goodwill for the Beijer Tech segment is assessed and measured in such a manner that the entire segment has been assessed as comprising a cash-generating unit. Forecasts concerning future cash flows are based on the best possible estimates of future income and operating expenses. The impairment tests performed did not indicate a need for impairment of goodwill. In a sensitivity analysis, in which the discount rate was raised and future sales and cash flow were lowered in relation to the original impairment test, an impairment requirement arose for the Beijer Tech segment. According to management's assessment, the outcome of this sensitivity analysis did not warrant the recognition of an impairment loss. Management has also determined that impairment testing of goodwill at the subsidiary level in Beijer Tech (as in the assessment performed in 2015) did not result in impairment in 2016. Goodwill amounted to MSEK 541.3

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 578.7. The maturity structure for past due receivables and provisions for doubtful receivables are presented in Note 23.

Inventories
Inventories are measured at the lower of cost and fair value (net selling price) on the balance-sheet date. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods. Note 22 presents the carrying amount of inventories as well as the proportion of inventories measured at net selling price and the value of the net selling price. When determining the net selling price, an assessment is made of, among other factors, the estimated selling price, remaining shelf life and selling expenses. Consideration is given to factors such as whether the item has several potential customers or is a customized item for which there is only one potential customer.

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 rate		Average rate	
	Dec 31, 2016	Dec 31, 2015	**2016**	2015
USD	**9.13**	8.35	**8.60**	8.30
EUR	**9.55**	9.14	**9.47**	9.40
GBP	**11.18**	12.38	**11.55**	13.00

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. As in prior years, goodwill is monitored at the operating segment level within Habia and Lesjöfors. Note 13 states that the assessment of goodwill within Beijer Tech took place at the subsidiary level up until 2015 but will now take place at the operating segment level as of 2016. 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 14.

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 measurement 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 31.

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 2.

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 is 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 2 Employees

Job location	Average number of employees 2016	2015
Sweden		
Parent Company		
Uppsala	**2**	2
Stockholm	**4**	4
Subsidiaries		
Filipstad	**102**	109
Gothenburg	**56**	56
Hallstahammar	**6**	4
Halmstad	**10**	13
Helsingborg	**15**	13
Herrljunga	**52**	54
Karlstad	**16**	17
Lidköping	**–**	–
Ljungby	**14**	17
Luleå	**5**	2
Malmö	**35**	39
Mönsterås	**35**	35
Skellefteå	**2**	4
Stockholm	**89**	92
Tierp	**155**	163
Värnamo	**46**	47
Växjö	**24**	26
Total Sweden	**668**	697

Of whom, 506 (526) are men and 162 (171) are women.

	Men	**Women**	**Total 2016**	Men	Women	Total 2015
Total Sweden	**506**	**162**	**668**	526	171	697
Outside Sweden						
Denmark	**51**	**19**	**70**	50	18	68
Finland	**28**	**7**	**35**	28	6	34
France	**4**	**3**	**7**	4	3	7
Hong Kong	**4**	**4**	**8**	3	4	7
China	**221**	**161**	**382**	205	220	425
Latvia	**62**	**59**	**121**	57	54	111
Mexico	**29**	**6**	**35**	18	5	23
Netherlands	**3**	**2**	**5**	3	2	5
Norway	**14**	**4**	**18**	19	4	23
Poland	**47**	**32**	**79**	23	32	55
Russia	**11**	**3**	**14**	9	4	13
Singapore	**33**	**11**	**44**	–	–	–
Slovakia	**86**	**56**	**142**	70	52	122
UK	**152**	**44**	**196**	146	47	193
Thailand	**19**	**11**	**30**	–	–	–
Germany	**340**	**111**	**451**	331	114	445
US	**31**	**4**	**35**	31	3	34
Total outside Sweden	**1,135**	**537**	**1,672**	997	568	1,565
Total	**1,641**	**699**	**2,340**	1,523	739	2,262

Of the total of 2,340 employees (2,262), 1,641 (1,523) are men and 699 (739) are women.

Salaries, remuneration and social security contributions

Group

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

	2016	2015
Salaries/fees, President and Board	**36,286**	37,493
of which, variable salary, President and Board	**6,913**	7,982
Social security contributions, President and Board	**18,196**	18,397
of which, pension costs	**7,952**	7,319
Salaries, other	**279,852**	296,721
Social security contributions, other	**129,095**	124,799
of which, pension costs	**32,025**	27,647

Salaries and expenses outside Sweden were expensed as follows:

2016			President/Board			Other
Group	Salary	of which, variable salary	Social security contributions	of which, pension costs	Salary	Social security contributions
Denmark	5,484	527	368	359	32,681	2,449
Finland	3,046	124	544	246	13,217	2,648
France	–	–	–	–	3,560	1,761
Hong Kong	–	–	–	–	5,027	733
China	1,014	–	–	–	41,879	12,864
Latvia	1,188	51	280	–	12,854	3,028
Mexico	–	–	–	–	2,709	593
Netherlands	–	–	–	–	4,072	900
Norway	4,245	241	578	104	11,180	3,319
Poland	553	65	–	–	8,005	2,218
Russia	505	46	162	63	1,177	278
Singapore	2,698	184	–	–	4,740	–
Slovakia	1,269	–	166	–	16,477	3,639
UK	6,011	721	1,011	288	55,347	5,524
Thailand	216	–	–	–	1,480	–
Germany	8,397	1,003	946	17	162,145	30,493
US	2,520	138	740	224	15,884	5,676
Total salaries and remuneration	**37,146**	**3,100**	**4,795**	**1,301**	**392,434**	**76,123**
Total salaries and remuneration in Sweden according to the above	**36,286**	**6,913**	**18,196**	**7,952**	**279,852**	**129,095**
Total Group	**73,432**	**10,013**	**22,991**	**9,253**	**672,286**	**205,218**

2015			President/Board			Other
Group	Salary	of which, variable salary	Social security contributions	of which, pension costs	Salary	Social security contributions
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
Hong Kong	–	–	–	–	4,701	1,824
China	1,034	–	–	–	45,466	12,948
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
Germany	6,985	383	719	25	154,428	29,199
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**

Parent Company	**2016**	2015
Salaries/fees, President and Board	**12,129**	11,923
of which, variable salary, President and Board	**3,330**	3,180
Social security contributions, President and Board	**5,905**	5,615
of which, pension costs	**2,414**	2,305
Salaries, other	**7,630**	7,170
Social security contributions, other	**4,019**	3,824
of which, pension costs	**1,558**	1,480

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 2016 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 2017 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 condi tions 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 year-end 2016, the preliminary collective consolidation level was 148 percent (December 31, 2015: 153 percent).

Terms of employment and remuneration to senior executives

Principles

The following principles have been proposed for approval by the 2017 Annual General Meeting. The only changes compared with previous years are that an Audit Committee has been formed and a proposal has been made that remuneration be paid to the members of the Audit Committee. 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. Fees to the Audit Committee are determined by the Annual General Meeting and paid annually in arrears. The Annual General Meeting also passes resolutions regarding remuneration and terms of employment for members of senior management. 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 2016

	Directors' fee/basic salary incl. company car benefits	Variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2016 Annual General Meeting)				
Johan 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
Senior management (six people)	18,234	8,074	4,885	31,193
of which, President	5,799	3,330	2,414	11,543
Total	**20,934**	**8,074**	**4,885**	**33,893**

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 Annual General Meeting)				
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 2016, 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. No pension or similar benefits are paid to any director.

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. 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 3 Board of Directors

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: 2000–2016. 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.

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 Scana 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. 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 and Valedo Partners. 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.

Note 4 Net revenues

SEK 000s	2016	2015
Sweden	**828,424**	847,175
Other EU	**1,753,698**	1,765,347
Other Europe	**261,879**	274,277
Asia	**467,801**	417,096
North America	**177,763**	200,813
Rest of the world	**37,951**	17,168
Total	**3,527,516**	3,521,876

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

MSEK	**2016**	2015
Germany	**582**	570
UK	**306**	373
China	**251**	242
US	**176**	193
Denmark	**168**	158
Finland	**128**	124
Norway	**123**	144
South Korea	**121**	109

Note 5 Segment reporting

The financial information addressed by Group management and used to make strategic decisions is based on the following division of segments.

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 minor subsidiaries with small-scale 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.

2016	Lesjöfors	Habia	Beijer Tech	Other (Parent Company etc.)	Eliminations	Total
Segment income	2,009.4	786.8	731.1	0.2	–	3,527.5
Inter-segment sales	–	–	–	–	–	0.0
Income from external customers	**2,009.4**	**786.8**	**731.1**	**0.2**	**0.0**	**3,527.5**
Operating profit/loss	380.2	97.0	7.9	–29.8	–0.1	455.2
Financial income	0.8	–	0.3	260.7	–260.6	1.2
Financial expenses	–4.8	–3.7	–0.8	–0.7	0.6	–9.4
Profit after net financial items	**376.2**	**93.3**	**7.4**	**230.2**	**–260.1**	**447.0**
Appropriations	–58.0	6.0	–	52.2	–0.2	0.0
Tax	–79.9	–32.7	–2.5	–5.9	1.6	–119.4
Net profit	**238.3**	**66.6**	**4.9**	**276.5**	**–258.7**	**327.6**
Operating profit/loss includes:						
Depreciation/amortization	81.2	28.6	7.1	0.3	0.1	117.3
Share of profit/loss in associated companies	2.4	–	–	–	–	2.4
Assets	2,005.4	657.7	369.7	896.9	–778.5	3,151.2
Liabilities	880.9	294.4	178.4	37.7	–141.7	1,249.7
of which, interest-bearing	416.1	114.4	44.5	14.7	–3.0	586.7
Cash funds (included in assets)	233.3	33.3	6.9	3.1	–3.0	273.6
Net debt	182.8	81.1	37.6	11.6	–	313.1
Investments in tangible assets	149.2	49.3	5.0	0.1	–	203.6
Sales outside Sweden, %	86.7	95.1	28.6	–	–	76.5

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	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 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 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

Assets distributed by geographic region (MSEK)

Group	2016	2015
Sweden	**1,226.9**	1,292.8
Other EU	**1,247.4**	1,024.0
Other Europe	**68.3**	58.0
North America	**158.4**	145.1
Asia	**450.2**	349.9
Total	**3,151.2**	2,869.8

Note 6 Administrative expenses

Administrative expenses include the following auditors' fees:

	Group		Parent Company	
	2016	2015	**2016**	2015
PwC				
Audit assignment	**3,954**	3,803	**559**	491
Auditing activities in addition to audit assignment	**506**	1,045	**218**	337
Tax consultancy	**115**	44	**–**	4
Other services	**254**	368	**254**	113
Other auditors				
Audit assignment	**2,540**	1,754	**–**	–
Auditing activities in addition to audit assignment	**102**	336	**–**	–
Tax consultancy	**768**	357	**–**	–
Other services	**539**	129	**–**	–
Total	**8,778**	7,836	**970**	945

Costs for product development totaling MSEK 12,800 (12,906) 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 7 Other operating income and operating expenses

Group	2016	2015
Goodwill impairment	**–**	–36,240
Reversal of provisions	**–**	36,220
Total	**0**	–20

Note 8 Profit fron participations in associated companies

Group	2016	2015
Share of profit from		
Hanil Precision Co Ltd	**2,420**	2,519
Total	**2,420**	2,519

Note 9 Operating profit

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

Group	2016	2015
Plant and machinery	**82,861**	79,202
Equipment, tools, fixtures and fittings	**18,336**	13,595
Buildings	**12,427**	13,366
Land improvements	**371**	334
Other intangible assets	**3,305**	4,062
Total	**117,300**	110,559

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by MSEK 56 (38).

Group	2016	2015
Costs distributed by type of cost		
Material costs	**1,475,371**	1,477,157
Costs for employee benefits (Note 2)	**974,737**	952,051
Development costs not charged to respective orders	**12,800**	12,906
Depreciation, amortization and impairment (Note 9, 14)	**117,300**	110,559
Costs for operational leasing (Note 10)	**65,548**	54,838
Other costs	**429,026**	439,573
Total	**3,074,782**	3,047,084

Note 10 Operational leasing

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

	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
Leasing costs for the year	**65,548**	54,838	**2,110**	1,932
Future minimum leasing payments fall due as follows:				
Within 1 year	**62,079**	53,882	**2,124**	2,041
1 to 3 years	**77,769**	61,875	**3,306**	4,166
After more than 3 years, but within 5 years	**21,443**	11,187	**130**	893
After more than 5 years	**12,852**	9,206	**–**	–
Total	**174,143**	136,150	**5,560**	7,100

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

Note 11 Income from participations in Group companies

Parent Company	**2016**	2015
Anticipated dividend from:		
Beijer Tech AB	**–**	20,000
Habia Cable AB	**65,000**	64,000
Lesjöfors AB	**195,000**	186,000
Total	**260,000**	270,000

Note 12 Tax on net profit for the year

	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
Current tax for the period	**–116,877**	–109,364	**–5,825**	–6,130
Deferred tax pertaining to:				
– untaxed reserves	**–2,513**	1,465	**–**	–
– provisions	**–**	–5,842	**–**	–
Current tax attributable to earlier years	**–**	–	**–**	–
Total	**–119,390**	–113,741	**–5,825**	–6,130

Difference between tax expense and 22.0 percent tax	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
Profit before tax	**447,030**	466,851	**282,326**	294,210
22 percent of this amount	**–98,347**	–102,707	**–62,112**	–64,726
Tax for the period	**–119,390**	–113,134	**–5,825**	–6,130
Difference	**–21,043**	–10,427	**56,287**	58,596

Specification of difference	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
Effect of:				
– withholding tax	**–2,141**	–2,090	**–**	–
– foreign tax rates	**–5,003**	–4,388	**–**	–
– non-deductible items	**–5,810**	–4,435	**–913**	–806
– non-taxable income	**1,629**	375	**57,200**	59,402
– deficit in foreign subsidiaries	**–2,289**	–	**–**	–
– temporary differences pertaining to deferred tax	**–4,979**	–3,279	**–**	
Other	**–2,450**	3,390	**–**	–
Total	**–21,043**	–10,427	**56,287**	58,596

The Group's weighted average tax rate was 26.7 (24.4).
Cash-flow hedges after tax are recognized in other comprehensive income. Tax revenues of 1,625 were recognized in 2016 and a tax expense of 3,549 pertaining to cash-flow hedges was recognized in 2015. There are no other tax effects in other comprehensive income.

Note 13 Earnings per share

Group	**2016**	2015
Profit used for calculating earnings per share		
Net profit for the year attributable to Parent Company shareholders	**327,640**	353,717
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 14 Goodwill

Group	2016	2015
Opening cost	**610,642**	618,624
Acquisitions[1]	**31,218**	656
Reclassification	**–**	149
Translation differences	**11,685**	–8,787
Closing accumulated cost	**653,545**	610,642
Opening impairment	**112,243**	84,240
Impairment for the year	**–**	36,240
Translation differences	**–**	–8,237
Closing accumulated impairment	**112,243**	112,243
Carrying amount	**541,302**	498,399

[1] Group	2016	2015
Acquisition of John While Group	**21,777**	–
Acquisition of AB Spiralspecialisten	**9,441**	–
Acquisition of assets and liabilities in Grad Tek	**–**	656
Total	**31,218**	656

The Group's total recognized goodwill is allocated to the operating sectors, which as of 2016 comprise the following cash-generating units:

Group	2016	2015
Lesjöfors	**228,582**	190,540
Habia Cable	**54,048**	51,834
Beijer Tech	**258,672**	256,024*
Total	**541,302**	498,398

*The specification of amounts per cash-generating unit is presented in the 2015 Annual Report.

Lesjöfors and Habia Cable were already cash-generating units. Within Beijer Tech, work is under way on the integration of the operations, which is resulting in fewer corporate management groups and a shared administration and sales organization for several of the companies. These measures changed the manner in which the segment is governed and followed up. In light of this and in accordance with pages 80 and 87 of IAS 36, goodwill was assessed and measured for the segment in its entirety, which is now deemed to constitute a single cash-generating unit.

Impairment tests for goodwill for 2016

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. For 2016, this included Lesjöfors, Habia Cable and Beijer Tech.

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 first forecast year of 2017, and values were extrapolated for the coming four years based on a growth rate of 1 to 2 percent. Key assumptions on which the calculations are based include:

- Forecast 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 measures in the approved forecasts. For the period after the forecast period, a growth rate of 1 to 2 percent has been used. A corresponding growth rate was used in the test of the 2015 financial statements.

The discount rate comprises the following components: a risk-free interest rate, the market risk premium and a company-specific risk premium. In the 2016 impairment test, a discount rate of 7.1 percent was used for Beijer Tech, 7.5 percent for Habia and 7.7 percent for Lesjöfors. The differences were due to different risk profiles, which were deemed to be unchanged compared with the test conducted in 2015. In 2015, a discount rate of 7.1 percent was used for Beijer tech, 7.3 for Habia and 7.9 for Lesjöfors. The difference was due to a reduction in the risk premium.

The impairment tests for 2016 did not indicate an impairment requirement. A sensitivity analysis was conducted, whereby future growth after the budget period was halved and the discount rate raised by 0.5 percentage points. These conditions gave rise to an impairment requirement of MSEK 50 for Beijer Tech. Lesjöfors and Habia have adequate margins even under these conditions.

Impairment tests for goodwill for 2015

The impairment testing of goodwill in 2015 related to Norspray resulted in a goodwill impairment charge of MSEK 36.2. This test 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 was 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 2015, goodwill items in the Beijer Tech segment were impaired as follows:

Beijer Tech	2015
Norspray	36,240
Total	36,240

Note 15 Other intangible assets

Group	2016	2015
Opening cost	**35,251**	34,259
Purchases	**479**	2,091
Sales and disposals	**–**	–978
Reclassification	**–239**	–
Translation differences	**176**	–121
Closing accumulated cost	**35,667**	35,251
Opening amortization	**24,062**	21,038
Sales and disposals	**–**	–978
Reclassification	**–**	–1
Amortization for the year	**3,275**	4,062
Translation differences	**–2,016**	–59
Closing accumulated amortization	**25,321**	24,062
Opening impairment	**1,018**	1,018
Translation differences	**–**	–
Closing impairment	**1,018**	1,018
Carrying amount	**9,328**	10,171

The assets comprise acquired customer relations and software licenses.

Note 16 Land and land improvements

Group	2016	2015
Opening cost	**44,274**	43,126
Purchases	**8,655**	2,060
Through acquisitions of subsidiaries	**511**	–
Translation differences	**881**	–912
Closing accumulated cost	**54,321**	44,274
Opening depreciation	**3,005**	2,653
Reclassification	**5**	–
Depreciation for the year	**371**	334
Translation differences	**521**	18
Closing accumulated depreciation	**3,902**	3,005
Opening impairment	**60**	60
Impairment for the year	**–**	–
Closing impairment	**60**	60
Carrying amount	**50,359**	41,209

Note 17 Buildings

Group	2016	2015
Opening cost	**391,784**	391,278
Purchases	**91,077**	7,303
Sales and disposals	**–2,882**	–500
Through acquisitions of subsidiaries	**13,355**	–
Reclassification	**2,391**	–
Translation differences	**7,001**	–6,297
Closing accumulated cost	**502,726**	391,784
Opening depreciation	**177,992**	166,884
Sales and disposals	**–1,503**	–291
Reclassification	**8,684**	–
Depreciation for the year	**12,490**	13,366
Translation differences	**2,587**	–1,967
Closing accumulated depreciation	**200,250**	177,992
Opening impairment	**961**	1,170
Sales and disposals	**–**	–209
Closing impairment	**961**	961
Carrying amount	**301,515**	212,831

Note 18 Plant and machinery

Group	2016	2015
Opening cost	**1,251,803**	1,187,144
Purchases	**139,702**	101,287
Sales and disposals	**–29,333**	–31,990
Through acquisitions of subsidiaries	**94,637**	9,272
Reclassification	**–31,761**	–7,441
Translation differences	**13,717**	–6,469
Closing accumulated cost	**1,438,765**	1,251,803
Opening depreciation	**780,124**	738,097
Sales and disposals	**–24,357**	–32,023
Acquisitions of subsidiaries	**83,967**	–
Reclassification	**–4,300**	1,706
Depreciation for the year	**82,800**	79,202
Translation differences	**8,415**	–6,858
Closing accumulated depreciation	**926,649**	780,124
Opening impairment	**5,385**	5,385
Impairment for the year	**–**	–
Closing impairment	**5,385**	5,385
Carrying amount	**506,731**	466,294

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

Group	2016	2015
Cost	**15,050**	15,039
Remaining residual value	**376**	2,230

Future minimum leasing payments fall due as follows:

Group	2016	2015
Within 1 year	**438**	2,002
Between 2 and 3 years	**339**	359
Between 4 and 5 years	**9**	17
After more than 5 years	**–**	–
Total	**786**	2,378

Present value of financial leasing costs are as follows:

Group	2016	2015
Within 1 year	**429**	1,847
Between 1 and 5 years	**327**	353
Total	**756**	2,200

Note 19 Equipment, tools, fixtures and fittings

	Group		Parent Company	
	2016	2015	**2016**	2015
Opening cost	**146,929**	154,872	**2,638**	2,583
Purchases	**19,883**	19,205	**140**	55
Acquisitions of subsidiaries	**34,679**	–	**–72**	–
Sales and disposals	**–7,803**	–15,416	**–**	–
Reclassification	**–5,562**	–9,495	**–**	–
Translation differences	**2,183**	–2,237	**–**	–
Closing accumulated cost	**190,309**	146,929	**2,706**	2,638
Opening depreciation	**107,456**	113,652	**1,496**	1,458
Acquisitions of subsidiaries	**27,398**	–	**–**	–
Sales and disposals	**–6,926**	–8,096	**–71**	–
Reclassification	**–5,921**	–8,359	**–**	–
Depreciation for the year	**18,341**	13,594	**55**	38
Translation differences	**2,256**	–3,335	**–**	–
Closing accumulated depreciation	**142,604**	107,456	**1,480**	1,496
Opening impairment	**1,519**	1,519	**–**	–
Reclassification	**–**	–	**–**	–
Translation differences	**5**	–	**–**	–
Closing accumulated impairment	**1,524**	1,519	**0**	0
Carrying amount	**46,181**	37,954	**1,226**	1,142

Note 20 Participations in associated companies

Group	Share of equity, %	Registered office	Carrying amount 2016	Carrying amount 2015
Hanil Precision Co Ltd	20	Pusan, South Korea	**24,986**	21,676
Azure Precision Sdn Bhd	25	Malaysia	**468**	–
Total			**25,454**	21,676

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 169 (163) and an operating margin of 7 percent (8). During the year, Lesjöfors purchased gas springs from Hanil for MSEK 20 (15). These purchases were conducted on market terms.

Group	2016	2015
Opening value	**21,676**	19,252
Share in profit after tax	**2,420**	2,519
Reclassification	**468**	–
Translation difference	**890**	–95
Carrying amount	**25,454**	21,676

Group's share as of December 31, 2016 (MSEK)	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	23.0	8.0	–	2.4

Note 21 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	1,124,510 1)
Habia Cable AB	556050-3426	500,000	Upplands Väsby, Sweden	95,576	363,327 2)
Beijer Tech AB	556650-8320	50,000	Tyresö, Sweden	333,324	191,316
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	1,369
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 195,000.
2) Before anticipated dividend to the Parent Company in the amount of 65,000.

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	2016	2015
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

Note 21 Participations in Group companies, continued

Subsidiary shareholders 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 Fjäder 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
AB Spiralspecialisten	556058-9151	100	Tyresö, Sweden	44,100
Spiralspecialisten Fastighets AB	556483-6244	100	Tyresö, Sweden	100
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 Deuschland GmbH		100	Velbert, Germany	33,584
Centrum B		100	Myjava, Slovakia	10,755
Lesjöfors Springs America Inc		100	Scranton, US	31,240
John While Group		100	Singapore	70,499
John While Springs PTE Ltd		100	Singapore	0
John While Solutions PTE Ltd		100	Singapore	0
John While Springs Co, Ltd		100	Thailand	0
Johan While Springs Co, Ltd		100	China	0
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	51,299
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 22 Inventories

Group	**2016**	2015
Raw materials	**258,678**	222,170
Products in progress	**83,715**	82,488
Finished goods	**375,536**	368,640
Total	**717,929**	673,298

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

Group	**2016**	2015
Raw materials	**9,176**	15,713
Products in progress	**1,758**	12,065
Finished goods	**70,053**	95,555
Total	**80,987**	123,333

Difference between cost and net selling price:

Group	**2016**	2015
Raw materials	**7,212**	7,164
Products in progress	**1,517**	1,220
Finished goods	**48,400**	39,790
Total	**57,129**	48,174

The expenditure for inventories was expensed under the item "Cost of goods sold" and amounted to MSEK 1,475,371 (1,477,157).

Note 23 Accounts receivable

Group	2016	2015
Total outstanding accounts receivable	**588,544**	564,048
Provisions for doubtful receivables	**–9,880**	–13,765
Carrying amount	**578,664**	550,283

Group	2016	2015
Past due amounts	**91,270**	97,390
of which, past due by more than 30 days	**20,485**	36,329
of which, past due by more than 90 days	**5,284**	7,401
Provisions for doubtful receivables	**9,880**	13,765

On December 31, 2016, a total of MSEK 10,605 in accounts receivable, for which there existed no provision for doubtful receivables, was more than 30 days past due.

Provisions for doubtful receivables

Group	2016	2015
Opening balance	**13,765**	13,442
Provisions for the year	**1,585**	4,911
Reversal of earlier provisions	**–4,991**	–3,941
Write-offs of receivables	**–479**	–647
Closing balance	**9,880**	13,765

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 MSEK 578,664 (550,283). The fair value corresponds with the carrying amount.

Note 24 Other receivables

	Group		Parent Company	
	2016	2015	**2016**	2015
Value-added tax	**11,019**	10,730	**–**	–
Deposit to landlord	**5,746**	–	**–**	–
Advance payments to suppliers	**5,912**	10,743	**–**	–
Other	**16,604**	9,917	**–**	2
Total	**39,281**	31,390	**0**	2

Note 25 Prepaid expenses and accrued income

	Group		Parent Company	
	2016	2015	**2016**	2015
Leasing and rental fees	**9,055**	13,363	**531**	121
Accrued interest income	**–**	307	**–**	–
Prepaid expenses	**16,979**	19,476	**370**	379
Forward agreements	**–**	6,440	**–**	–
Accrued commission	**1,574**	2,086	**–**	–
Other	**5,430**	6,722	**–**	–
Total	**33,038**	48,394	**901**	500

Note 26 Cash and cash equivalents

	Group		Parent Company	
	2016	2015	**2016**	2015
Cash and bank balances	**273,606**	252,179	**55**	9,326
Total	**273,606**	252,179	**55**	9,326

Note 27 Shareholders' equity

Group	Translation reserve	Hedging reserve	Total
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
Change in value of hedging reserve	–	–7,391	–7,391
Tax thereon	–	1,626	1,626
2015 translation difference	30,588	–	30,588
December 31, 2016	**51,364**	**–742**	**50,622**

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

	Shares		Votes
Class A shares	3,310,000	at 10 votes	33,100,000
Class B shares	26,821,100	at 1 vote	26,821,100
Total	**30,131,100**		**59,921 100**

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
	New issue	30,291	90,874	1,211,650	3,634,950
1993	Non-cash issue in connection with acquisition of of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1994	Conversion of subordinated debenture loan	47	95,921	1,875	3,836,825
1996	Conversion of subordinated debenture loan	2,815	98,736	112,625	3,949,450
1997	Conversion of subordinated debenture loan	1,825	100,561	73,000	4,022,450
1998	Conversion of subordinated debenture loan	30	100,591	1,200	4,023,650
2000	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 loa	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 2016 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 28 Provisions

In conjunction with earlier corporate acquisitions, provisions were made for expected future additional purchase considerations. Final settlement was made for all remaining provisions in 2015.

Provisions	**2016**	2015
Opening balance	–	36,220
Final settlement	–	–36,220
Closing balance	**0**	0

Note 29 Deferred tax

Deferred tax assets	**2016**	2015	
Temporary differences pertaining to:			
– loss carryforwards	**17,937**	14,904	Recognized in profit or loss
– forward agreements	**209**	–	Reognized in other comprehensive income
Other	**913**	3,748	Recognized in profit or loss
Total	**19,059**	18,652	

Opening value	**18,652**	25,558
Reversed receivable	**–2,978**	–7,656
Additional receivable	**3,385**	750
Total	**19,059**	18,652

Deferred tax liabilities	2016	2015	
Temporary differences pertaining to:			
– untaxed reserves	**36,788**	32,882	Recognized in profit or loss
– forward agreements	**–**	1,416	Recognized in other comprehensive income
– amortization of surplus values	**27,229**	19,965	Recognized in profit or loss
Total	**64,017**	54,263	
Opening value	**54,263**	46,749	
Increased provision	**10,893**	13,935	
Reversal	**–1,139**	–6,421	
Closing value	**64,017**	54,263	

Note 30 Pension obligations

Group	2016	2015
Opening value	**2,037**	2,015
Decreased provision	**–2**	–98
Increased provision	**79**	120
Closing value	**2,114**	2,037

Note 31 Financial instruments

FINANCIAL RISK MANAGEMENT

The Beijer Alma Group's operations are exposed to various financial risks. The Board of Directors establishes instructions, guidelines and policies 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 Audit Committee and 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 65 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 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 a 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, over time, its competitiveness.

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

2016	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	12.7	155.9	13.5	21.6	36.5	–	–	–	–	–	240.2
Habia Cable	41.5	160.9	–	7.8	30.9	–88.1	6.0	–8.8	18.5	6.3	175.0
Beijer Tech	–7.5	–144.1	23.2	20.9	–12.8	–	–	–	–	–	–120.3
Total	**46.7**	**172.7**	**36.7**	**50.3**	**54.6**	**–88.1**	**6.0**	**–8.8**	**18.5**	**6.3**	**294.9**

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**

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 18 months. 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 their own net exposure. Forecast flows are not hedged in Beijer Tech. However, individual transactions may be hedged in certain cases.

In 2015 and 2016, 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 totaling MSEK 336, MSEK 318 falls due in 2017, MSEK 16 in 2018 and MSEK 2 in 2019.

Group	Dec 31, 2016	Dec 31, 2015
USD	**28.5**	73.5
EUR	**230.4**	193.2
GBP	**63.0**	77.5
NOK	**14.4**	16.1
Total	**336.3**	360.3

Note 31 Financial instruments, continued

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. As of December 31, 2016, the forward agreements were valued at negative MSEK 1.0 which, after deductions for deferred tax, decreased the Group's shareholders' equity. At year-end 2015, the derivative instruments had a positive value of MSEK 6.4, which increased shareholders' equity, after deductions for deferred tax. Consolidated comprehensive income was impacted in an amount of negative MSEK 5,765 (pos: 12,586) 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. A 1-percent change in the EUR in relation to the SEK has an impact of approximately MSEK 1.5 on earnings. Entering into forward agreements partially delays the earnings effect since a 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, while several of its subsidiaries have a different reporting 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 EUR in relation to SEK has an impact of approximately MSEK 3 on shareholders' equity in the Group.

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 and no hedges are recognized in the balance sheet. 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 1,475 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.

Changes in interest levels impact Beijer Alma's costs and are reflected in its net financial items and earnings. 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. Outstanding loans and committed credit facilities are listed below.

	Group		Parent Company	
	2016	2015	**2016**	2015
Non-current liabilities				
Liabilities to credit institutions	**242,843**	205,997	**–**	–
Current liabilities				
Liabilities to credit institutions	**76,682**	56,321	**–**	–
Committed credit facilities	**267,221**	183,913	**14,685**	19,083
Total interest-bearing liabilities	**586,746**	446,231	**14,685**	19,083

All amounts are deemed to correspond to fair value.

Liabilities to credit institutions comprise approximately 30 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 MSEK 85 in EUR, MSEK 65 in RMB, MSEK 35 in USD and MSEK 12 in DKK. Other than this, the Group has no interestbearing liabilities in any single currency corresponding to more than MSEK 10.

The interest levels vary between 0.9 percent and 5.0 percent. The average interest rate is approximately 1.8 percent. The average interest rate on the committed credit facilities is about 1.5 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

Net debt at year-end totaled MSEK 313 (194). 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 4 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 geographic regions, 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 273.6 (252.2), 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 financing institutions.

	Group		Parent Company	
Available liquidity	**2016**	2015	**2016**	2015
Cash funds	**273,606**	252,179	**3,072**	9,326
Approved committed credit facilities	**916,564**	814,747	**275,000**	275,000
Unutilized portion of credit facilities	**–267,221**	–183,913	**–14,685**	–19,083
Available liquidity	**922,949**	883,013	**263,387**	265,243

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, 2016			
Borrowings	346,998	206,844	46,681
Liabilities for financial leasing	2,020	392	–
Accounts payable and other liabilities	236,975	–	–
Total	**585,993**	**207,236**	**46,681**

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**

Of the foreign exchange contracts at year-end 2016 totaling MSEK 336 (360), MSEK 318 (323) had a maturity period of less than one year and MSEK 18 (37) 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	**2016**	2015
Interest-bearing liabilities	**586,746**	446,231
Cash and cash equivalents	**–273,606**	–252,179
Net debt	**313,140**	194,052
Shareholders' equity	**1,901,506**	1,835,288
Net debt/equity ratio	**16.5**	10.6

Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

December 31, 2016	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	4,844			4,844
Accounts receivable and other receivables	578,664			578,664
Cash and cash equivalents	273,606			273,606
Total	**857,114**	**0**	**0**	**857,114**

31/12 2016	Derivatives used for hedging purposes	Other financial liabilities	Total
December 31, 2016			
Liabilities in the balance sheet		319,525	319,525
Liabilities to credit institutions		267,221	267,221
Committed credit facilities			
Derivative instruments (included in the item accrued expenses)	951		951
Accounts payable		236,975	236,975
Total	**951**	**823,721**	**824,672**

December 31, 2015	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	7,056			7,056
Accounts receivable and other receivables	550,283			550,283
Derivative instruments (included in the item deferred income)	6,440			6,440
Cash and cash equivalents	252,179			252,179
Total	**809,518**	**6,440**	**0**	**815,958**

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**

The Parent Company has cash and cash equivalents amounting to MSEK 3,072 (9,326), 0 (0) in the category "Loans and receivables", committed credit facilities totaling MSEK 14,685 (19,083) and accounts payable amounting to MSEK 770 (1,013) in the category "Other financial liabilities".

Note 32 Accrued expenses and deferred income

		Group		Parent Company
	2016	2015	**2016**	2015
Accrued personnel costs	**139,314**	132,475	**14,244**	12,259
Accrued interest	**533**	454	**–**	–
Restructuring reserve	**7,006**	7,006	**–**	–
Accrued bonuses to customers	**59,533**	54,602	**–**	–
Deferred income	**–**	3,821	**–**	–
Derivative instruments	**951**	–	**–**	–
Other	**76,657**	65,434	**1,887**	37
Total	**283,994**	263,792	**16,131**	12,296

Note 33 Other current liabilities

	Group 2016	2015	Parent Company 2016	2015
Personnel tax	**22,436**	17,755	**460**	428
Value-added tax	**23,813**	24,219	**280**	13
Advance payments from customers	**5,275**	14,661	**–**	–
Purchase consideration received	**7,050**	–	**–**	
Other	**13,407**	10,307	**–**	–
Total	**71,981**	66,942	**740**	441

Note 34 Pledged assets

	Group 2016	2015	Parent Company 2016	2015
Floating charges	**215,561**	209,976	**–**	–
Real estate mortgages	**61,932**	60,376	**–**	–
Shares	**328,788**	378,633	**13,381**	13,381
Machinery used in accordance with financial leasing agreements	**376**	2,230	**–**	–
Total	**606,657**	651,215	**13,381**	13,381

Note 35 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:

	Group 2016	2015	Parent Company 2016	2015
Guarantees	**16,492**	9,792	**–**	–
Total	**16,492**	9,792	**0**	0

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

Note 36 Net interest paid and other financial items

	Group 2016	2015	Parent Company 2016	2015
Dividends received and Group contributions	**–**	–	**317,000**	288,000
Interest received	**1,537**	1,014	**729**	612
Interest paid	**–9,275**	–10,586	**–681**	–945
Total	**–7,738**	–9,572	**317,048**	287,667

Note 37 Items not affecting cash flow

	Group 2016	2015	Parent Company 2016	2015
Depreciation/amortization	**117,300**	110,559	**56**	38
Goodwill impairment	**–**	36,240	**–**	–
Reversal of provisions	**–**	–36,220	**–**	–
Profit/loss from associated companies	**–2,420**	–2,519	**–**	–
Total	**114,880**	108,060	**56**	38

Note 38 Corporate aquisitions

2016

John While Group

Lesjöfors acquired the spring manufacturer John While Group (JWG), with production operations in Singapore, Thailand and China. The acquisition strengthened Lesjöfors's position in the emerging markets in Asia. JWG specializes in the manufacturing of customized springs. Its customers mainly operate in the home electronics, white goods, automotive and engineering industries and predominantly include European and US companies with operations in Asia.

At the time of takeover, the company had 70 employees and revenues corresponding to MSEK 70, with favorable profitability.

Acquisition calculation

Purchase consideration, of which MSEK 57.5 paid in cash and the remainder to be paid within one year	MSEK 70.5
Acquired net assets measured at fair value	MSEK 48.7
Goodwill	MSEK 21.8

Goodwill was attributable to synergy effects within Lesjöfors and to inseparable customer relationships.

Net assets comprise

Machinery and equipment	MSEK 9.9
Inventories	MSEK 14.3
Receivables	MSEK 19.9
Bank deposits	MSEK 17.5
Current non-interest-bearing liabilities	MSEK –12.9
Total	MSEK 48.7

The receivables guaranteed by the seller are assessed as having been transferred at fair value. Acquisition costs totaling a negligible amount were expensed during the period.

Takeover occurred on May 1, 2016 and, since then, JWG has contributed MSEK 49.4 in net revenues and MSEK 5.3 in operating profit.

AB Spiralspecialisten

Lesjöfors acquired AB Spiralspecialisten, with production operations in Tyresö, Sweden. The company produces customized springs for Swedish and European customers in the engineering industry. Its risk spread across customers is favorable. Spiralspecialisten was founded in 1949 and has long-standing customer relationships with well-known engineering companies. The company's invoicing amounts to MSEK 45 with favorable profitability.

Acquisition calculation

Purchase consideration (paid in cash)	MSEK 44.5
(Including cash of MSEK 6.4)	
Acquired net assets measured at fair value	MSEK 35.1
Goodwill	MSEK 9.4

Goodwill was attributable to inseparable customer relationships and synergy effects.

Net assets comprise

Buildings	MSEK 31.0
Machinery	MSEK 4.5
Inventories	MSEK 4.1
Receivables	MSEK 6.0
Bank deposits	MSEK 6.4
Current non-interest-bearing liabilities	MSEK –11.4
Interest-bearing liabilities	MSEK –0.3
Deferred tax liability	MSEK –5.2
Total	MSEK 35.1

The receivables are guaranteed by the seller and are assessed as having been transferred at fair value. Acquisition costs totaling an insignificant amount have been expensed.

Takeover occurred on December 31, 2016 and the acquisition had no impact on net revenues or earnings.

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 totaled MSEK 0.7.

The acquisition had a negligible impact on net revenues and profit.

Note 39 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 2, no other transactions were carried out with related parties.

Note 40 Definitions

Capital employed. Total assets less non-interest-bearing liabilities.

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

Dividend ratio, %. Dividend relative to net profit for the year attributable to Parent Company shareholders.

Dividend yield. Dividend per share relative to share price.

Earnings, profit. Unless otherwise stated, the terms earnings and profit refer to profit after net financial items.

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

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

Equity ratio. Shareholders' equity in relation to total assets.

Interest-coverage ratio. Profit after net financial items plus financial expenses, divided by financial expenses.

Invoicing, revenues, sales. Unless otherwise stated, the terms invoicing, revenues and sales refer to net revenues

Net debt. Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio. Net debt in relation to shareholders' equity.

Operating margin. Operating margin in relation to net revenues.

Order bookings. Orders from customers for goods or services at fixed terms.

Proportion of risk-bearing capital. Total of shareholders' equity, deferred tax and non-controlling interests divided by total assets.

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

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

Shareholders' equity. Shareholders' equity attributable to Parent Company shareholders.

Note 41 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 14, 2017.

The balance sheet and income statement will be presented to the Annual General Meeting on March 29, 2017.

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 14, 2017

Beijer Alma AB (publ)

Johan Wall *Chairman of the Board*	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 Auditor's Report was submitted on February 14, 2017

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

To the general meeting of the shareholders of Beijer Alma AB (publ), corporate identity number 556229-7480

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Beijer Alma AB (publ) for the year 2016 except for the corporate governance statement on pages 41–44. The annual accounts and consolidated accounts of the company are included on pages 41–74 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Parent Company as of December 31, 2016 and its financial performance and cash flow 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, 2016 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the Corporate Governance Report on pages 41-42. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's responsibility" section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Audit scope

Beijer Alma is an international industrial Group sectioned into three independent business areas. The Group has subsidiaries in 18 countries. The most significant balance sheet items are inventories and accounts receivable, and the valuation of these items is partially based on management's assessment. The majority of the Group's revenues pertain to sales of inventories, and are recognized with relatively straightforward agreements and some matters of judgement. Due to the fact that revenues represent such a significant item, but not a key audit matter, this is an area of focus when it comes to the audit and that revenues are accounted for and allocated to a particular period in a correct manner.

Our review is designed by determining the level of materiality and assessing the risk of material misstatements in the financial reports. PwC has audited components equivalent to approximately 50 percent of the Group's turnover and, by instructing other local network firms, audited another approximately 30 percent of the Group's turnover. We have also reviewed components equivalent to 8 percent of the Group's turnover. In particular, we addressed the areas where the President and the Board of Directors made subjective judgements: for example, significant accounting estimates that have been made on the basis of assumptions and projections concerning future events, which are uncertain to its characteristics, such as the valuation of inventories, accounts receivable and goodwill. As in all of our audits, we also addressed the risk of management (President and Board of Directors) override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.]

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually, or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall [Group] materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Existence and valuation of inventories

The carrying amount of the Group's inventories amounts to MSEK 718. Note 1 of the Annual Report describes how inventories are accounted for and valued, and Note 1 "Key estimates and assumptions for accounting purposes" describes the assumptions made by the company. As described in Note 22, total inventories, which amounted to MSEK 81, were valued at net selling price. The valuation of inventories was a key issue in our review due to the fact that these assessments, particularly of fair value, are partially based on management's assessment.

The Group is divided into a considerable number of entities and becasue these entities are manufacturing companies or sales companies, they have their own inventories. The existence of inventories was a key issue in our review.

How our audit addressed the key audit matter

Our review of the existence and valuation of inventories comprised the following procedures:

- Test check of manufacturing cost calculations and how these are applied.
- Review of the company's own assessments concerning write-down requirements due to, for example, slow-moving inventory. We have also assessed the explanations we have received from management.
- We have reviewed and assessed the internal control in the stock-taking process.
- We have also participated in the stock-taking process in the subsidiaries we considered significant.

In our review concerning the existence and valuation of inventory, we have not reported any significant findings to the Audit Committee.

Key audit matter

Valuation of accounts receivable

The carrying amount of Beijer Alma's accounts receivable amounts to MSEK 579. Note 1 describes how accounts receivable are accounted for and valued, and Note 1 "Key estimates and assumptions for accounting purposes" describes the company's assessments concerning this. Note 23 describes the provisions for doubtful receivables and aging structure of overdue receivables.

The valuation of the receivables is a key issue in our audit due to the fact that the valuation is partially based on management's assessments.

How our audit addressed the key audit matter

Our review of accounts receivable comprised the following procedures:

- We have noted, gained an understanding of and assessed the company's model concerning impairment of receivables.
- The value of accounts receivable has also been reviewed through various forms of substantive procedures, and by assessing provisions for bad debt losses.
- We have challenged the company when it comes to assessing the value of the accounts receivable.

Our review has shown that the most significant assumptions concerning the valuation of accounts receivable are within an acceptable interval and we have not reported any significant findings to the Audit Committee.

Other information than the annual accounts and consolidated accounts

The printed version of this document also contains other information than the annual accounts and consolidated accounts, which can be found on pages 1–39 and 78–82. The Board of Directors and the President are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the President

The Board of Directors and the President are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the President are also responsible for such internal control as they 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.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the President are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the President intend to liquidate the company or cease operations, or has no realistic alternative but to do so.

[The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.]

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisonsnämnden's website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the President of Beijer alma AB (publ) for the year 2016 and the proposed appropriations of the company's profit or loss.

We recommend to the general 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.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's responsibility" section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The President shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisonsnämnden's website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor´s report.

The auditor's examination of the corporate governance statement
The Board of Directors is responsible for ensuring that the corporate governance statement on pages 41–44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6, section 6, second paragraph, points 2-6 of the Annual Accounts Act and chapter 7, section 31, second paragraph of the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Uppsala, February 14, 2017

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

Board of Directors and senior executives

Johan Wall
Carina Andersson
Marianne Brismar
Anders G. Carlberg
Peter Nilsson
Caroline af Ugglas
Anders Ullberg
Bertil Persson

HONORARY CHAIRMAN

Anders Wall
Chairman of the Board 1993–2016

BOARD OF DIRECTORS

Johan Wall born 1964
Chairman
Deputy Director: 1997–2000
Director: 2000–2016
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.

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: 1,500
Education: Economics degree from Stockholm University.
Deputy General Director of the Confederation of Swedish Enterprise.
Director of: Acando Group.
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 and Valedo Partners. 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.

SENIOR EXECUTIVES

Bertil Persson born 1961
President and CEO of Beijer Alma AB
Deputy Director: 2000–2001, 2002–2015
Director: 2001–2002
Holding: 23,000
Utbildning: Master of Business Administration, 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.

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

Further information

Beijer Alma invites all shareholders to participate in the Annual General Meeting, which will take place on Wednesday, March 29, 2017, 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 Thursday, March 23, 2017.
- notify the company of their intent to participate in the Meeting not later than Thursday, March 23, 2017, 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 Thursday, March 23, 2017, 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 Tuesday, March 28, 2017. 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 dividends is Friday, March 31, 2017. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid through Euroclear Sweden commencing Wednesday, April 5, 2017. The Board proposes that the Annual General Meeting approve an ordinary dividend of SEK 9.50 per share (9.50).

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).

2017

March 29	Annual General Meeting
May 4	Interim report January 1–March 31
August 29	Interim report April 1–June 30
October 26	Interim report July 1–September 30

2018

February	Year-end report
March 22	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
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or via beijeralma.se

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Content

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When demand is not enough to enable expansion, we must find and develop niches that offer growth opportunities. Implementing acquisitions is equally important. We are doing both.

Bertil Persson
President and CEO

BEIJER • ALMA