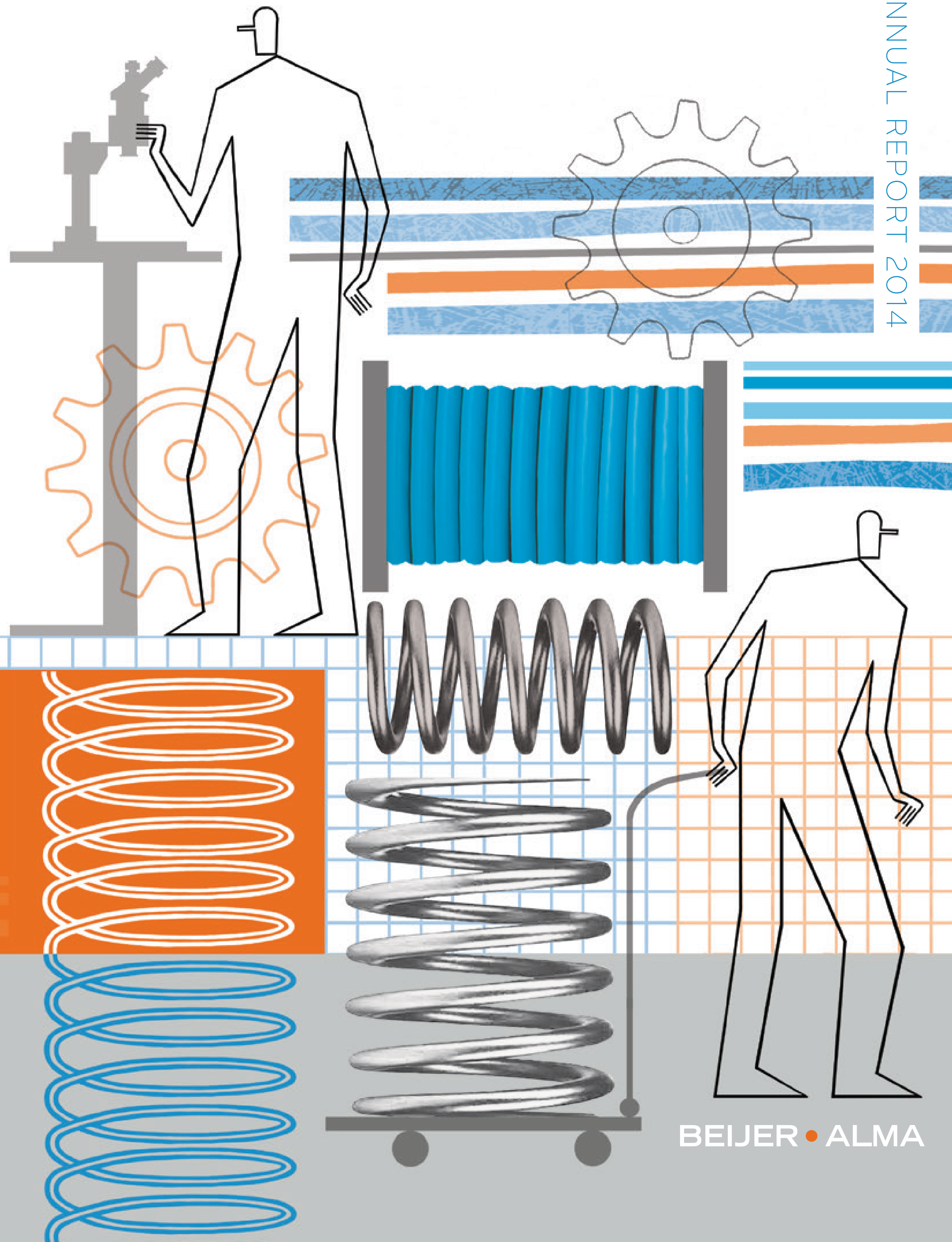
ANNUAL REPORT 2014



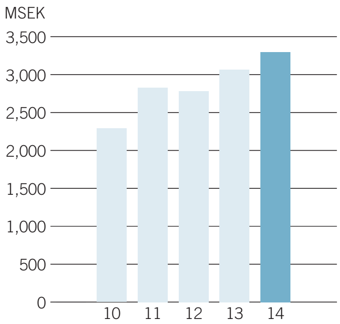
BEIJER • ALMA

Beijer Alma AB (publ) is an international, listed industrial Group specializing in component manufacturing and industrial trading. Its business concept is to acquire, own and develop companies with strong growth potential. Operations are conducted in the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, where growth initiatives focus on the following areas:

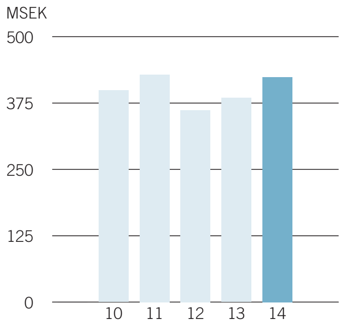
- Products and concepts with a high customer value.
- International market coverage.
- High market share.
- Diversified customer and supplier base.

ENGINEERING. All of the Group companies deliver products, services and solutions to companies in this industry, which represents the largest segment in the Group. Deliveries include industrial springs, flat strip components, cables, cable harnesses, input goods and machinery.	40%
AUTOMOTIVE. Beijer Alma's components are delivered to manufacturers of passenger cars, trucks, contractor equipment and other heavy vehicles. Examples include cables, various types of vehicle springs, hoses and consumables for foundries.	20%
CHASSIS SPRINGS. Lesjöfors has the market's broaded range of proprietary vehicle springs for European and Asian passenger cars, as well as light trucks. Its products are delivered to the spare parts market, where Lesjöfors commands a leading position in Europe.	14%
DEFENSE. The Group's products are used in various types of military technology. Examples include cables and cable harnesses used in communication equipment, ships, helicopters, underwater technology, as well as springs and flat strip components for military applications.	3%
INFRASTRUCTURE. Typical customer segments in this industry are public transport and infrastructure projects. The Group companies supply cables and other components to the transport sector, industrial rubber to customers in the construction industry and springs for vibration damping in infrastructure projects.	4%
TELECOM. Beijer Alma's companies deliver cables to system manufacturers within mobile telecom, and springs and other components to companies that develop and produce mobile phones. Most of these deliveries are to customers in the Asian market.	12%
ENERGY. The Group works with customers in the areas of energy production and power distribution and delivers, for example, cables and cable harnesses to the nuclear power and oil industries, gas turbines, springs and other components to power companies, and machinery to the offshore industry.	6%

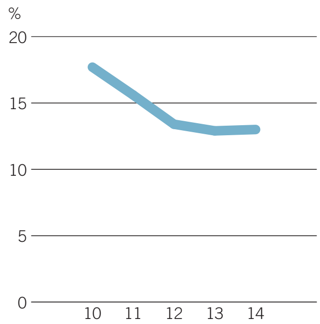
INVOICING



PROFIT AFTER NET FINANCIAL ITEMS



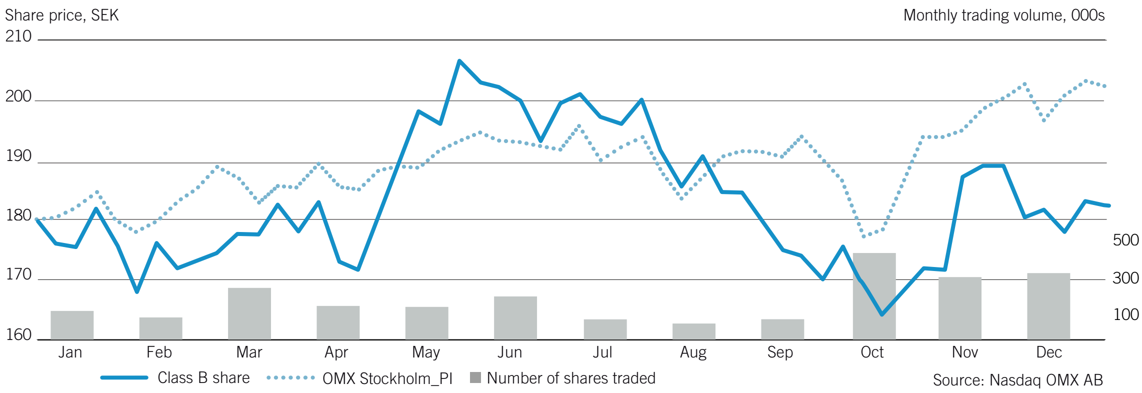
OPERATING MARGIN



REVENUES AND PROFIT BY OPERATING SEGMENT 2014

Net revenues MSEK	Q4	Q3	Q2	Q1	**Total**
Lesjöfors	396.3	394.5	455.8	479.1	**1,725.7**
Habia Cable	212.5	195.1	200.6	182.0	**790.2**
Beijer Tech	187.9	180.8	219.4	194.0	**782.1**
Parent Company and intra-Group	–0.1	0.1	0.1	0.1	**0.2**
Total	796.6	770.5	875.9	855.2	**3,298.2**
Operating profit MSEK					
Lesjöfors	74.0	66.2	88.4	90.9	**319.5**
Habia Cable	27.0	23.6	22.5	20.5	**93.6**
Beijer Tech	9.1	12.7	14.3	8.0	**44.1**
Parent Company and intra-Group	–11.4	–3.9	–7.6	–6.8	**–29.7**
Total operating profit	98.7	98.6	117.6	112.6	**427.5**
Net financial items	2.9	–1.9	–1.7	–3.2	**–3.9**
Profit after net financial items	101.6	96.7	115.9	109.4	**423.6**

SHARE PERFORMANCE

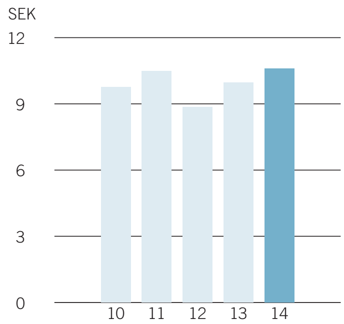


Source: Nasdaq OMX AB

ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Thursday, March 19, 2015, 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. For further information, refer to page 80 or visit beijeralma.se.

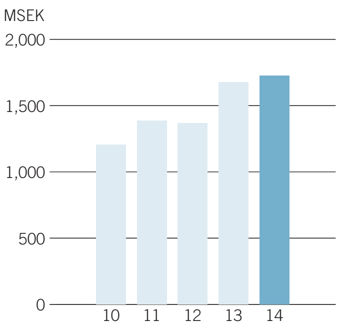
EARNINGS PER SHARE



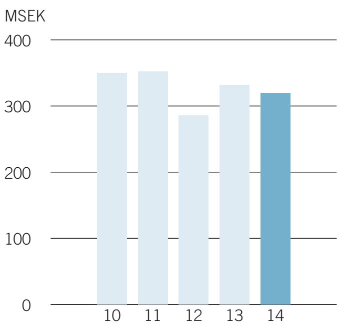
LESJÖFORS

Lesjöfors is an international full-range supplier of industrial springs, wire and flat strip components that manufactures both standard products and customized components. Lesjöfors holds leading positions in Europe and conducts operations in two business areas: Industry and Chassis Springs.

INVOICING



OPERATING PROFIT



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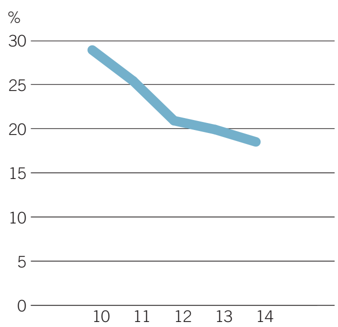
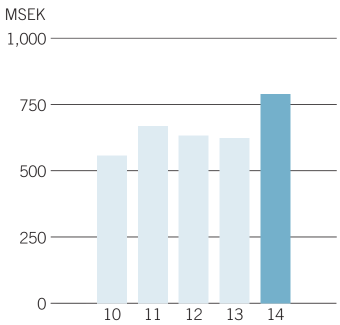


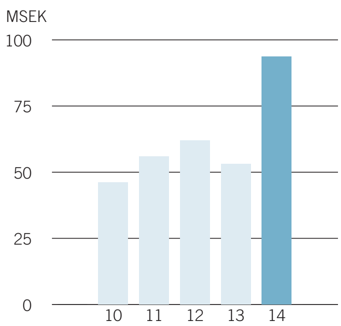
HABIA CABLE

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

INVOICING



OPERATING PROFIT



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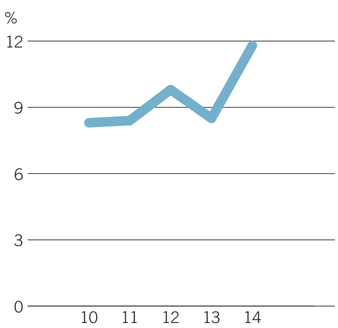
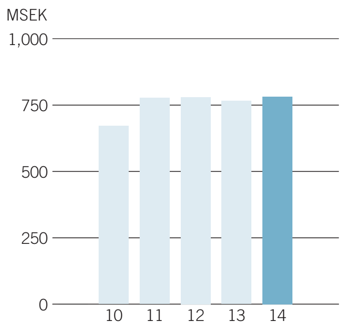


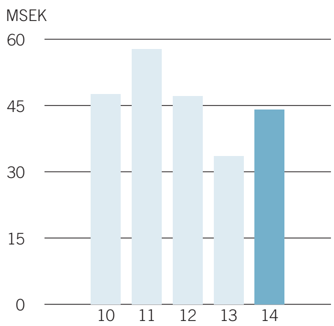
BEIJER TECH

Beijer Tech specializes in industrial trading. The company's various products and solutions are combined to create added value for its customers. Beijer Tech conducts its operations in two business areas: Fluid Technology/Industrial Rubber and Industrial Products.

INVOICING



OPERATING PROFIT



OPERATING MARGIN

10.60

EARNINGS PER SHARE. Earnings per share totaled SEK 10.60 (9.59).

PRESENCE IN NORTH AMERICA

ACQUISITION. Lesjöfors established a presence in North America through the acquisition of Sandvik Materials Technology's spring operations.

+5%

ORDER BOOKINGS. Order bookings increased 5 percent to MSEK 3,282 (3,112).

3,298

INVOICING. Invoicing rose 8 percent to MSEK 3,298 (3,066).

8.50

DIVIDEND. The Board of Directors proposed an ordinary dividend of SEK 8.50 (8.00).

INCREASED DEMAND IN TELECOM

DEMAND. Demand in the telecom sector increased sharply. Sales of cables for base-station antennas rose 56 percent.

424

PROFIT AFTER NET FINANCIAL ITEMS. Profit after net financial items amounted to MSEK 424 (385).

TEN-YEAR SUMMARY

MSEK	**2014**	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net revenues	**3,298.2**	3,066.5	2,779.7	2,830.2	2,290.1	1,571.2	1,836.3	1,654.4	1,487.8	1,323.1
Operating profit	**427.5**	396.3	372.3	441.4	406.3	238.2	302.4	289.6	268.4	206.7
Net financial items	**–3.9**	–11.6	–10.5	–12.7	–7.5	–11.7	–7.4	–6.9	–6.2	–6.9
Profit after net financial items	**423.6**	384.7	361.8	428.7	398.8	226.5	295.0	282.7	262.2	199.8
Tax	**–104.3**	–95.7	–93.3	–115.8	–112.3	–64.1	–78.3	–77.2	–72.4	–57.8
Net profit	**319.3**	289.0	286.5	312.9	286.5	162.4	216.7	205.5	189.8	142.0
Non-current assets	**1,347.0**	1,192.5	1,111.6	927.4	820.3	616.6	657.2	607.8	526.8	558.4
Current assets	**1,396.7**	1,355.5	1,283.1	1,273.4	1,155.5	773.6	803.6	741.6	691.6	621.7
Shareholders' equity	**1,744.8**	1,610.9	1,519.5	1,482.9	1,394.5	985.9	959.6	846.7	747.8	708.9
Non-current liabilities and provisions	**313.9**	299.2	323.5	171.0	140.2	100.0	107.7	68.0	100.9	126.2
Current liabilities	**681.3**	634.3	549.1	544.2	438.4	301.2	390.2	434.6	369.7	345.0
Total assets	**2,743.7**	2,548.0	2,394.7	2,200.8	1,975.8	1,390.2	1,460.8	1,349.4	1,218.4	1,180.1
Cash flow	**146.0**	200.0	130.1	152.0	168.3	215.8	150.1	120.0	121.0	142.6
Depreciation and amortization	**98.7**	86.7	78.7	76.3	70.7	71.4	68.2	65.3	68.8	65.2
Net capital expenditures, excluding corporate acquisitions	**140.0**	126.3	70.5	89.2	55.2	60.5	89.1	79.2	71.0	48.0
Capital employed	**2,125.8**	1,957.0	1,815.8	1,729.4	1,541.7	1,122.2	1,139.4	1,044.9	932.1	876.3
Net liabilities	**189.8**	92.3	56.8	–22.5	–91.2	–59.5	18.4	32.8	–6.8	43.0
Key figures, %										
Gross margin	**32.4**	32.4	33.7	34.8	37.7	36.4	35.3	37.4	37.9	36.8
Operating margin	**13.0**	12.9	13.4	15.6	17.7	15.2	16.5	17.5	18.0	15.6
Profit margin	**12.8**	12.5	13.0	15.1	17.4	14.4	16.1	17.1	17.6	15.1
Equity ratio	**64**	63	64	67	71	71	66	63	61	60
Proportion of risk-bearing capital	**65**	65	66	70	73	73	68	65	64	62
Net debt/equity ratio	**10.9**	5.7	3.7	–1.5	–6	–6	2	4	–1	6
Return on shareholders' equity	**19.7**	19.2	17.8	21.8	24.7	17.2	23.5	25.5	25.9	22.6
Return on capital employed	**21.3**	21.1	21.2	26.4	30.6	21.2	28.3	29.9	30.0	24.3
Interest-coverage ratio, multiple	**41.3**	28.9	27.5	27.5	43.3	18.7	21.4	23.6	29.6	24.2
Average number of employees	**2,124**	2,110	1,831	1,687	1,397	1,146	1,220	1,163	980	907
Earnings per share after tax	**10.60**	9.59	8.91	10.38	9.51	5.92	7.90	7.49	6.92	5.17
Dividend per share, SEK	**8.50**	8.00	7.00	7.00	7.00	5.00	5.00	5.00	4.00	3.67

Thanks to financial strength in 2014, Beijer Alma could continue making investments and acquisitions that strengthened the Group. This favorable financial position contributes to public welfare, which over the years – while not always visible – has freed up resources for medical and environmental research.

At the time of writing, exactly 50 years have passed since I became a CEO in the Beijer sphere, which later grew to include Beijer Alma. At the time, as the head of AB Kol & Koks, I was the youngest CEO on the stock exchange. Today, I am the oldest Chairman. During this time, the business world and society have undergone an enormous change. Yet certain things remain the same and continue to influence my view on successful business.

Take, for example, the goal of building strong, robust company structures. At Beijer Alma, we can utilize our financial strength to enable investments in long-term, diversified business structures. Our position also allows us to maintain attractive dividends for our shareholders.

When it comes to new ventures, Lesjöfors completed a groundbreaking US investment during the year. This gave us a foothold in one of the world's most attractive industrial spring markets, where we will leverage Lesjöfors's extensive European experience to create growth across the Atlantic. Looking at Habia, it is gratifying to note the company's successes in the telecom sector, which have created an opportunity for investments in our Chinese plant. Beijer Tech also advanced its position in several sectors, including the offshore and automotive industries.

Our attractive dividends have helped to secure long-term shareholders, particularly among institutional owners. What is less commonly known is that our dividends have also benefited society through the various foundations – both related parties and others – that are shareholders in the Group. Over the years, these foundations have distributed a significant amount of money to various causes, including medical and environmental research. These good works have helped connect our business to the broader development of society.

The proposed dividend for 2014 has been raised to SEK 8.50. As I have said, this is an attractive return – yet it will also enable us to maintain a strong balance sheet with scope for acquisitions and other growth initiatives.

In conclusion, I would like to thank Group management and our other managers and employees. Despite a weak economy, you delivered one of Beijer Alma's strongest results to date. This demonstrates once again the importance of strong, well-diversified businesses.

Anders Wall, Chairman of the Board

2014 was the second best year in the history of Beijer Alma. One important explanation for this was that the strength of our business model was reconfirmed – a model based on a number of well-diversified operations, each delivering high customer value.

In 2014, Habia in particular contributed a significant improvement in profitability. Beijer Tech also achieved a stronger result than in 2013. Lesjöfors, on the other hand, reported slightly lower earnings than in the preceding year, mainly because its sales of replacement springs for passenger cars were adversely impacted by the mild winter early the year.

Invoicing increased 5 percent to MSEK 3,298. Profit before tax totaled MSEK 424, up MSEK 39 from the preceding year. The operating margin remained high and stable at 13 percent. Invoicing and earnings were favorable, despite the continued weak recovery of the industrial economy in many of our markets. In 2014, the Beijer Alma Group primarily benefited from the strong demand within Habia's telecom segment. Sales of cables for base-station antennas increased significantly during the year, resulting in favorable profitability.

Our strategy is clear. We focus on niches where we offer high customer value, while avoiding volume production of standardized products.

Creating clear value

The weak economic trend – combined with competition from production in low-cost countries – is impacting industrial companies throughout the Western World. Beijer Alma is also being affected, resulting in a greater need for continued profitable growth. High customer value – meaning distinguishing added value for which customers are prepared to pay – is becoming increasingly significant. Modern information technology and globalized trade have also resulted in greater transparency, which makes it easy to compare prices and make purchases from players across the world. Thus, companies must create added value to justify their existence. Our strategy here is clear. We focus on niches where we offer high customer value, while avoiding volume production of standardized products.

Lesjöfors's acquisition of Sandvik's US spring manufacturing operations is a milestone for the entire Beijer Alma Group.

International expansion

International growth is also becoming increasingly important. Narrow niches and low organic growth rates are intensifying the need for geographic expansion. Over the course of many years, Beijer Alma's sales have progressively become more international. Lesjöfors and Habia are now global companies with sales and manufacturing operations worldwide. Lesjöfors dominates the European market for replacement springs and is consolidating the industrial springs market on a global basis. Habia is a world leader in cables for base-station antennas and holds strong international positions in several other product areas. Beijer Tech is a Nordic industrial trading group mainly focused on the Swedish market. The company now needs to make investments to boost its growth both in and outside Sweden.

Developing product and customer areas

To continue to grow organically, we must be able to develop new product and customer areas. In recent years, all of our companies have grown into new areas. Habia has developed world-leading cables for control equipment in nuclear power plants. Lesjöfors has developed springs for vibration damping in major infrastructure projects and Beijer Tech is growing into new customer areas, such as offshore.

Proactive acquisition strategy

Acquired growth is also becoming increasingly important in a world with low underlying growth. Over the years, supplementary acquisitions have been made throughout the Group, primarily in Lesjöfors, which recently purchased a spring company in Germany with approximately SEK 0.5 billion in revenues. In 2014, Sandvik's US spring

operations were also acquired, including plants in the US and Mexico. This is our first business acquisition in the US and a milestone for the entire Beijer Alma Group.

Access to low-cost production

A focus on high customer value and narrow niches normally entails a large share of specialized products and shorter production runs. This reduces the competition from low-cost manufacturers. Yet our operations also focus on standardized products. The more standardized the process – and the larger the volumes produced – the more intense the competition from low-cost players. Thus, when working with standardized components, we must have access to production in low-cost countries. This transition has been under way for some time and is continuing at an undiminished rate.

More than 30 percent of our employees currently work in low-cost countries. In our production companies, Habia and Lesjöfors, the corresponding figure is 34 percent. As a result of this relocation, the average salary costs for these companies are now significantly lower than they were ten years ago. Continued adaptation will be crucial to our future competitiveness.

The global business climate will likely remain challenging for several years to come. However, in my opinion, Beijer Alma is well prepared. We have financial strength and well-diversified operations that deliver high customer value. Combined, this will give us a strong platform for continued profitable growth.

Bertil Persson, President and CEO

Our strategy pyramid describes how we work to grow the Group in a profitable manner. The pyramid comprises four levels and is based on long-term ownership, responsibility and efficient governance, in addition to four growth criteria and a clear focus on corporate acquisitions and organic development. It is this combination of components that generates profitable growth.

Long-term ownership
Long-term ownership means that the companies in the Beijer Alma Group are not developed with the aim of a future exit. Instead, the goal is to create groups of companies with industrially sound structures that achieve long-term success and in which sales and profitability grow over time.

Corporate social responsibility
To achieve our objective of profitable growth, we must take a responsible approach to business. This means that we limit our impact on the environment, assume a clear social responsibility, and offer a secure and stimulating work environment for our employees. It is equally important that our customers, suppliers and business partners associate Beijer Alma with sound values. We are a global company in which corporate social responsibility applies to all employees, managers and Board members, regardless of where they are in the world.

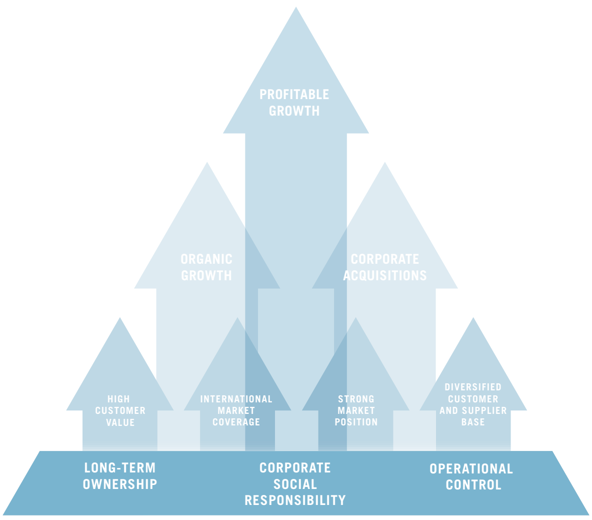
Operational control
We work closely with our Group companies to assist them in setting and following up on goals and exercising long-term control. This work does not generally involve operational activities, but instead focuses on strategic development, acquisitions and investments, thereby providing our companies with access to management resources that are often lacking in medium-sized enterprises.

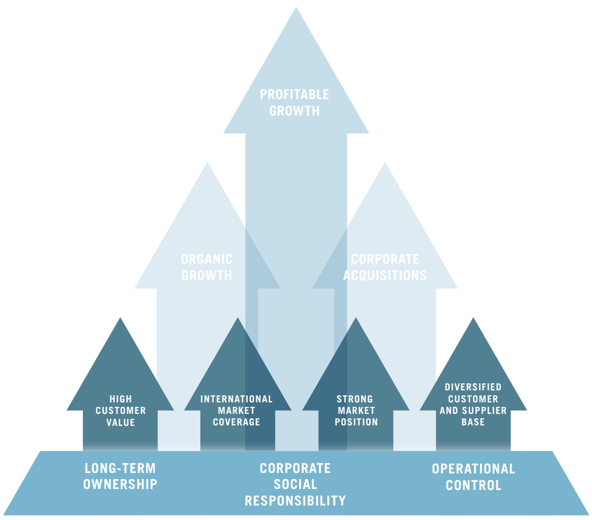
High customer value
A large portion of the Group companies' products and services are adapted to meet specific customer needs or are based on unique product concepts. This creates higher value, for which customers are prepared to pay and which contributes to our profitability. As opposed to standardized volume products, adapted products and unique concepts with high customer value also provide greater leverage in sales and marketing.

International market coverage
Our production companies primarily focus on niche products, which are manufactured in relatively small series and generate higher customer value. To expand and grow with these types of products, the companies must engage in broad international sales.

Strong market positions
High quality, a broad product range, a high level of customization and outstanding service enable strong market positions. This allows the Group companies to compete by offering other forms of added value in addition to low prices, thereby creating the scope for a stronger profitability trend.

Diversified customer and supplier base
Our companies aim to have a broad customer and supplier base, thereby reducing their risk exposure and dependency on individual markets, industries or customers.





A large portion of the Group companies' products and services are adapted to meet specific customer needs. This creates higher value, for which customers are prepared to pay.

Organic growth

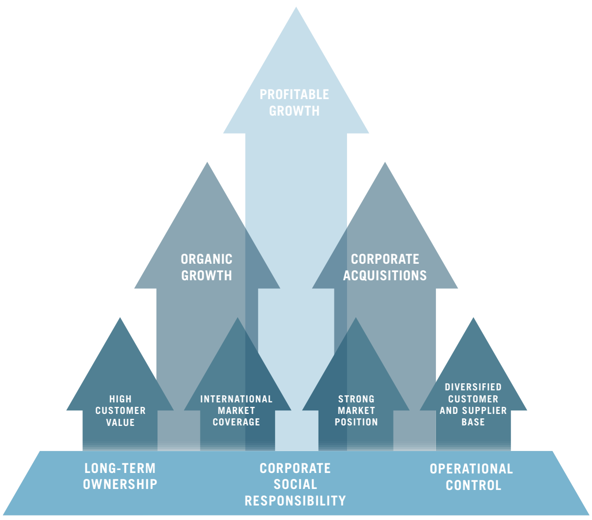
Organic growth refers to the continuous investments our companies make in product and market development. We prioritize this type of growth since it often results in higher quality and lower risk. Moreover, this work can be carried out in our existing organizations and allows us to focus on markets and products with which we are already familiar.

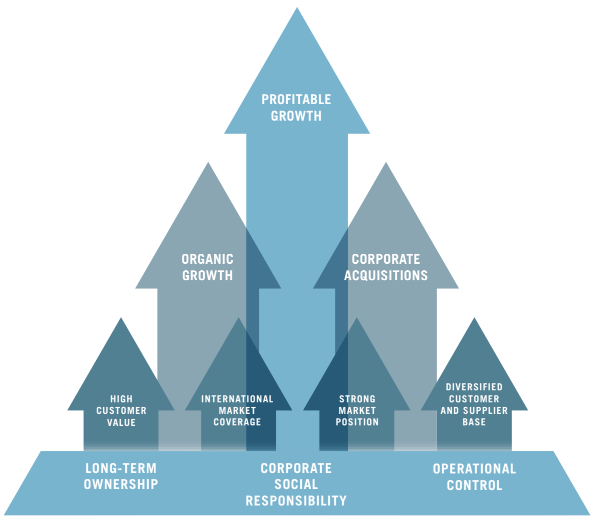
Corporate acquisitions

Corporate acquisitions include supplementary acquisitions in the Group companies, as well as the acquisition of new operations. Supplementary acquisitions can strengthen our position in selected markets or in specific technology or product areas. These types of acquisitions also carry a lower risk since they are conducted in familiar markets or areas. Acquisitions of new operations involves the acquisition of entirely new sub-groups, which provide Beijer Alma with a broader foundation.

Profitable growth

It is crucial that we focus on growth, but to meet the requirements we have set for ourselves, this growth must be linked to strong, sustainable profitability. We accomplish this by ensuring that our companies systematically apply our four criteria as they focus on their own development – high customer value, international market coverage, strong market positions, and a diversified customer and supplier base. Add to this the remaining elements of the strategy pyramid – long-term ownership, responsibility and operational control – which contribute to the profitable growth of the Group companies.





Beijer Alma has displayed a high growth rate. Over the past ten years, the company has tripled its revenues while at the same time achieving profitable growth. A key reason for this is the Group's focus on corporate acquisitions – in both new areas and companies that supplement its existing operations.

In addition to organic growth – meaning the development and creation of growth in existing operations – Beijer Alma is also growing through corporate acquisitions. The acquisition rate in the Group has been high, with new operations accounting for an average of MSEK 250 in growth each year since 2010. The most common type of corporate acquisitions are supplementary acquisitions conducted in our subsidiaries. A total of 18 such acquisitions have been carried out since 2004. Beijer Alma has also conducted acquisitions in entirely new areas and established additional business segments in the Group. The most recent example is Beijer Tech, which specializes in industrial trading and joined Beijer Alma in 2010.

85

Acquisitions have helped boost foreign sales in Lesjöfors to a current level of 85 percent.

More rapid expansion

Our subsidiaries specialize in component manufacturing and industrial trading. In both areas, the focus is on mature industries that exist in all industrialized countries. By conducting acquisitions in these industries, Beijer Alma can accelerate its geographical expansion compared with establishing its own operations in new countries and then aiming to grow organically.

14

In 2010–2014, the Group completed 14 acquisitions, thereby supplementing the operations of its subsidiaries. Most of these were conducted in Lesjöfors.

250

In 2010–2014, annual acquired growth in Beijer Alma averaged MSEK 250.

These supplementary acquisitions target established, well-managed companies with competent senior management. Another requirement is that the companies have a clear connection with the core business of Lesjöfors, Habia or Beijer Tech. The acquired businesses must complement the subsidiaries and make our existing platform broader and more competitive. This naturally entails a geographic component, with acquisitions expected to broaden our market coverage and enable us to reach new customers and markets. At the same time, new business acquisitions often involve a new product dimension. This means that our subsidiaries incorporate their products into the acquired companies and that the new companies' products are in turn incorporated into the operations of the subsidiaries. This enables us to quickly and efficiently broaden our offering in various markets.

Last but not least, supplementary acquisitions are associated with a certain element of risk. When we purchase companies in markets where we already conduct operations – or in areas of technology with which we are already familiar – the level of risk is lower than if we were to enter into an entirely new operation.

Acquisitions in all subsidiaries

In recent years, supplementary acquisitions have been conducted in all of the Group's subsidiaries, primarily in the Nordic region, the UK, Germany and the US. Most of these acquisitions were carried out in Lesjöfors, thereby enabling the company to expand significantly – particularly internationally. In 2004, 67 percent of the company's sales were conducted outside Sweden. The corresponding

Supplementary acquisitions 2006-2014

SANDVIK MATERIALS TECHNOLOGY'S spring operations were purchased by Lesjöfors in 2014. This acquisition enabled Lesjöfors to establish a presence for the first time in the North American spring market.

CENTRUM B is a Slovakian spring producer acquired by Lesjöfors in 2013. The company's main markets are the Czech Republic, Slovakia and Germany.

PMU was purchased by Beijer Tech in 2013. The Swedish forging and engineering company specializes in industrial service, manufacturing and installation.

S&P FEDERNWERK is a Germany spring manufacturer acquired by Lesjöfors in 2013 that specializes in the agricultural industry.

SVETSPUNKTEN was purchased by Beijer Tech in 2012. The company sells welding materials and equipment in the Swedish market.

STUMPP+SCHÜLE was acquired by Lesjöfors in 2012. The German company, which manufactures springs and flat strip components, also conducts production operations in Slovakia.

NORSPRAY was acquired by Beijer Tech in 2012. The Norwegian industrial trading company specializes in surface treatment and works with offshore customers.

VELLEUER was acquired by Lesjöfors in 2011. The company specializes in springs and pressed components in the German marker.

PREBEN Z JENSEN was acquired by Beijer Tech in 2010. The Danish company specializes in technology trading in the area of surface treatment.

CS TECHNOLOGY was purchased by Habia Cable in 2008. The Swedish cable harness business strengthened Habia's offering in the defense and aviation industries.

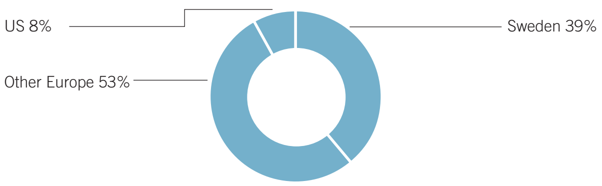
STECE was acquired by Lesjöfors in 2008. Stece is a Swedish company focusing on the production of industrial springs.

EUROPEAN SPRINGS & PRESSINGS was purchased by Lesjöfors in 2007. The UK company produces springs and flat strip components.

HARRIS SPRINGS was acquired by Lesjöfors in 2006. The company sells springs and wire strip components, primarily in the UK market.

figure in 2014 was 85 percent. As a result, Lesjöfors is currently the largest spring manufacturer in the Nordic region and the UK, as well as a major player in the German spring market. Supplementary acquisitions in Habia have strengthened the company's offering in Germany and in the area of cable harnesses. Business acquisitions in Beijer Tech have created an opportunity to broaden the company's presence in the Swedish market and to expand in Denmark and Norway.

ACQUISITIONS IN 2010–2014, INVOICING AS OF ACQUISITION DATE



Beijer Alma's three subsidiaries are followed up regularly using a systematic approach. By repeatedly monitoring and measuring a number of parameters, the company gains an accurate understanding of the long-term trend. This also allows any deviations to be identified quickly and tangible measures to be taken, for example, with respect to costs and staffing.

Decentralized responsibility

Each company is responsible for the daily operation of its business, including products, marketing, sales and product development. This decentralized responsibility means that Beijer Alma generally does not become involved in the operational management of its subsidiaries.

Subsidiaries with complete management functions

All subsidiaries have their own organizations and expertise, which allows each company to become competitive on an international level. The Group does not usually aim to create synergies between subsidiaries and there are no joint functions shared between the subsidiaries, or between the subsidiaries and the Parent Company. However, Beijer Alma is ultimately responsible for ensuring that its subsidiaries secure the management expertise needed to successfully address operational matters.

Management and follow-up

The subsidiaries are evaluated on a monthly basis. In conjunction with these evaluations, a number of key performance indicators are followed up and assessments are conducted in various areas, including market development, competitors and acquisition projects. By repeatedly measuring the same parameters, a long time series is established, which provides an accurate picture of the long-term trend. Should any major negative deviations be discovered, action plans are established and implemented within the subsidiaries. These are then assessed and adjusted during subsequent evaluations, making it easier to detect and address any deviations at an early stage. Beijer Alma monitors order bookings and invoicing in all units on a weekly basis, thereby enabling the company to quickly identify any changes in demand, which could entail decisions regarding costs and staffing.

Strategic planning

Beijer Alma determines the strategy development process, establishes the agenda, and contributes analyses and expertise. Each subsidiary establishes its own objectives and guidelines. The aim of this process, which is carried out an annual basis, is to assess the creation of customer value, market potential, competitive situation and long-term development opportunities in the subsidiaries' various business areas. This strategy process is also used to establish three to five-year action plans for all of the operations, in addition to mapping out their internal competence and resource requirements. Beijer Alma has done away with traditional budgets and replaced them with forecasts that are updated each quarter. This means that the subsidiaries are not evaluated in relation to their budgets – an approach that tends to be too static – but rather in comparison with their historical performance and strategic plans. These quarterly forecasts offer the best option for assessing the business situation and outcome for the year at any given time. They provide an indication of whether the Group's resource planning is correct and reasonable, as well as influencing its investment and staffing decisions.

Central responsibility for the capital structure

Beijer Alma is responsible for the Group's financing and decides on the capital structure in the subsidiaries. All companies are measured on the basis of their operating profit before net financial items. This management model offers two key advantages: it shifts the focus of the subsidiaries' management work toward operational issues and removes their return on financial items from the agenda.

These quarterly forecasts offer the best option for assessing the business situation and outcome for the year at any given time.

Read more about Beijer Alma's operational control in the Administration Report and at beijeralma.se

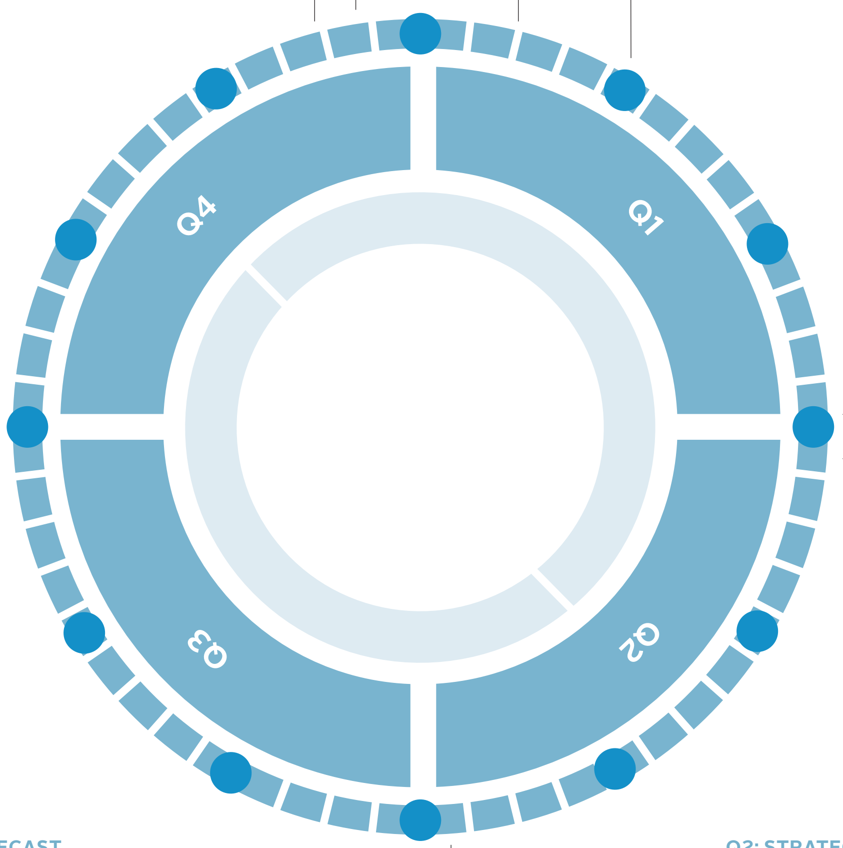
QUARTERLY FORECAST
A forecast for the coming year is presented in December.

WEEKLY REPORTING
Ongoing weekly reporting by the management teams at the various subsidiaries to Beijer Alma's Group management. The focus is on sales and order bookings.

MONTHLY MEETINGS
Beijer Alma's Group management meets with the subsidiary management teams every month to review their income statements, balance sheets and cash-flow statements. Market performance and acquisition processes are also monitored.

Q4: STRATEGY REVIEW COMPLETED
The results of the strategic review are presented during in the fourth quarter. Based on the Group's overall objectives and guidelines, subtargets and tangible action plans are established for each subsidiary. These are followed up on a monthly basis.

QUARTERLY FORECAST
In the first quarter, the yearly forecast is updated.



QUARTERLY FORECAST
Prior to the fourth quarter, the yearly forecast is broken down further.

QUARTERLY FORECAST
Prior to the third quarter, the yearly forecast is updated.

Q2: STRATEGY REVIEW BEGINS
A three to five-year strategy is established. A review is conducted annually starting in the second quarter. Beijer Alma's Group management and the subsidiary management teams take part in this process.

2012

- Analysis of work pertaining to sustainable development.
- Beijer Alma's Code of Conduct established.
- Sustainability reporting system developed.
- More in-depth information about corporate social responsibility included in the annual report.

2013

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

2014

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

To achieve our objective of long-term profitable growth, we must take a responsible approach to business based on sustainable development. This means that we limit our impact on the environment, assume a social responsibility, and offer a secure and stimulating work environment for our employees. This broad approach to corporate social responsibility applies to all employees, managers and Board members, regardless of where they are in the world.

Key sustainability issues

Our efforts related to sustainable development focus on four main areas:

- Enhancing energy efficiency and reducing the amount of waste generated by our production facilities.
- Reducing the climate impact of processes and transport.
- Creating a strong, stimulating work environment for our employees.
- Assisting the Group's subsuppliers in their work related to sustainable development.

Code of Conduct – guiding principles

Beijer Alma's Code of Conduct clarifies how we show respect for human rights, take a preventive approach to environmental and work environment issues, practice good business ethics and are straightforward and honest in our communications. In 2014, the Group continued its efforts to establish the Code of Conduct among its managers and employees. New employees are an obvious target group for this type of training. At many units, employees received refresher training in how the Code of Conduct is to be used.

Stakeholder interaction

The Group's sustainability work is influenced by various stakeholders, who impose demands and express opinions on the operations. Meeting and exceeding these expectations – and planning for anticipated future demands – is an important part of our sustainable development strategy.

- ***Customers***. Many customers are imposing increasingly strict demands when it comes to sustainability – for example, requiring that production facilities have certified environmental and quality management systems in place or that certain chemical substances not be used in the company's products. Requirements with respect to environmental product declarations and compliance with the customer's code of conduct are also common. Customer requirements are followed up through questionnaires and audits. In 2014, follow-ups were performed at one third of the Group's units. The results were generally positive.

- ***Suppliers.*** During the financial year, the Group's interactions with suppliers regarding environmental and social responsibility were developed. An increasing portion of the Group's units are informing their suppliers about Beijer Alma's Code of Conduct and demanding their compliance. We are taking a more proactive approach to assessing suppliers' sustainability work. In 2014, 124 (43) surveys and 51 (38) audits were performed. These assessments showed that the suppliers were meeting the requirements for sustainable business.

- ***Authorities.*** Beijer Alma's operations are subject to extensive environmental and work environment legislation. Our compliance with this legislation is monitored through reports to various authorities and by way of inspections. In 2014, roughly ten visits and inspections were carried out by environmental and work environment authorities, most of which resulted in no negative remarks or only minor change requirements. No violations of environmental or work environment legislation were reported in 2014.

2015

- Continued work on Group energy, climate, waste, work environment and social objectives.
- Expanded sustainability reporting under international guidelines. Continued reporting in accordance with CDP.
- Plan to join the UN Global Compact.
- ISO 14001 to be introduced at additional Group units.

2016

- Continued focus on supplier assessments and the Group's sustainability objectives.
- Interim assessment of the sustainability strategy and objectives.
- Sustainability and CDP reporting expanded further.
- Ongoing work to implement ISO 14001. Adaptation to new version (ISO 14001:2015) to commence.

2017

- Ongoing adaptation of environmental management systems to ISO 14001:2015 ongoing to be concluded by 2018 at the latest.
- Preparations for update to the strategy and sustainable development objectives in 2018.

BEIJER ALMA'S SUSTAINABILITY OBJECTIVES	2012	2013	2014	PROGRESS
By year-end 2018, energy consumption should be reduced by 10 percent (GWh/net revenues).*	See diagram on page 15			● Energy efficiency enhancement measures implemented at several units (equipment, ventilation, lighting).
By year-end 2018, CO_2 emissions should be reduced by 10 percent (ton/net revenues).*	See diagram on page 15			● Energy efficiency enhancement measures are resulting in lower climate impact. Reduction in the use of fossil fuels for heating and transport, but increased use of fossil-based electricity in China and Germany.
By year-end 2018, the amount of waste generated by the Group should be reduced by 10 percent (ton/net revenues).*	See diagram on page 15			● Many activities are being carried out to reduce scrapping and prevent waste.
We have a vision of zero cases when it comes to workplace accidents and aim to reduce our accident frequency rate. A system for registering work environment incidents (near misses) is to be introduced in 2015 (number of accidents and number of accidents per employee).	26 (0.014)	49 (0.023)	37 (0.017)	● Implementation of system for reporting incidents was expanded during the year and the system is now in place at 75 percent of the Group's units.
Certified management systems are to be established at all production units and other units where an environmental management system is relevant (number of certified units).	16	16	17	● One unit in Germany received environmental certification during the year. Four units plan to achieve certification within six to 18 months.
From 2015 to 2018, we will increase our social commitment.	**	**	**	● Ongoing cooperation with schools and universities, and financial support for sports activities, healthcare and cultural events. See the summary below.

** Average for 2012–2013 used as baseline. ** Development described in qualitative terms.*
● Objective achieved. ● Positive trend, good potential to achieve tobjective. ● Negative trend, additional measures required.

Focus on entrepreneurship

Beijer Alma is the main sponsor of the Anders Wall Lecture in Entrepreneurship – one of Sweden's largest events for entrepreneurs, attracting approximately 2,000 guests to the auditorium at Uppsala University each year. The program includes a combination of experiences from established businespeople and ideas from new entrepreneurs.

"It is gratifying to support initiatives that can inspire ideas and encourage more young people to take an interest in entrepreneurship," says Bertil Persson, President and CEO of Beijer Alma. "The lecture attracts many interesting guests from the business community and academic world, thus helping to establish Beijer Alma's profile."

"It is also fascinating to meet entrepreneurs from across Scandinavia and to listen to their thoughts and their conviction that anything is possible – that you can create significant value and build major business operations from seemingly simple ideas," he continues.

Since 2004, the Anders Wall Lecture has attracted such speakers as Filippa Knutsson, founder of clothing chain Filippa K, Percy Barnevik, former CEO of ABB, entrepreneur Gunilla von Platen and Bjørn Kjos, founder of Norwegian airline. A number of new entrepreneurial projects are also presented each year. At the 2014 lecture, Mehrdad Mahdjoubi spoke about his new invention: an advanced, resource-efficient shower system, which has attracted the interest of NASA.

Ethics

Our Code of Conduct states that we expect our employees to behave in an honest and honorable manner – and we demand the same from the Group's business partners. Bribes are prohibited. Gifts and other benefits may not exceed the amounts prescribed by local practices or legislation. We comply with competition legislation and apply sound marketing principles.

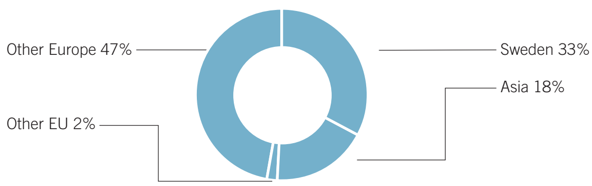
- ***Good business ethics***. The annual review of Beijer Alma's work in the area of business ethics indicated no violations of the Code of Conduct. The Group's anti-corruption initiatives include ongoing training in the Code of Conduct, a zerotolerance policy towards bribery, sanction systems for violations and guidelines on gift size and business entertainment. We use management systems, information, training and financial monitoring to prevent corruption.

People

Beijer Alma employs some 2,100 people in 14 countries who come from a variety of cultures. Approximately one-third work in low-cost countries. About 20 percent of these employees work in China. All employees are encompassed by the Code of Conduct.

- ***Employees.*** Creating safe and stimulating work environments is an important component of the Group's work related to sustainable development. Regular employee surveys are a useful tool in this work. In 2014, surveys were conducted at approximately one third of the Group's units. The responses showed that the level of job satisfaction is generally high and that the work environment is seen as safe.

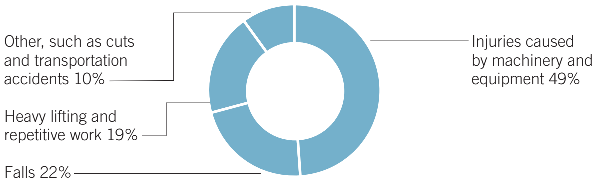
EMPLOYEES, GEOGRAPHIC DISTRIBUTION



- ***Setting of salary rates and collective agreements***. The same rules and values apply for all of the Group's units. Salary rates adhere to legislative requirements, exceed minimum wages and are entirely in line with market rates. As a result of cultural and legislative differences, the degree to which employees are covered by collective agreements varies by country. At slightly more than half of the Group's units, most employees are covered by collective agreements.

- ***Human rights and equality.*** We encourage diversity and are opposed to all forms of discrimination. Reports from the Group's companies have not identified any irregularities with respect to human rights. Responsibility for equality issues is decentralized and lies with the individual units.

CAUSES OF WORKPLACE ACCIDENTS



- ***Sickness absence.*** Short and long-term sickness absence remained low in 2014. From a five-year perspective, the sickness absence rate was relatively stable at 3 to 3.5 percent.

- ***Health and safety.*** Preventive work is performed using regular risk analyses, work environment assessments, training, safety inspections and investments in technical measures. During the year, 37 (49) workplace accidents resulting in more than one day of absence occurred. Total absence due to accidents amounted to 268 (306) days.

KEY FIGURES	**2014**	2013	2012	2011	2010
Average number of employees	**2,124**	2,110	1,831	1,687	1,397
Percentage salaried employees (%)	**31**	31	32	33	35
Percentage production staff (%)	**69**	69	68	67	65
Percentage women (%)	**33**	35	34	32	29
Percentage employed in low-cost countries (%)	**30**	30	30	28	24
Short-term sickness absence (%)	**2.4**	1.9	2.1	2.1	2.5
Long-term sickness absence (%)	**1.0**	0.9	0.9	1.2	1.2
Percentage employed in Sweden (%)	**33**	33	36	40	47

- ***Training.*** Training ensures that employees have the knowledge needed to perform their jobs and gives them an opportunity to develop their skills and gain an understanding of the Group's fundamental values. Approximately 25,800 (14,700) hours of training were completed in 2014. This corresponds to ten hours per employee, an increase compared with the preceding year.

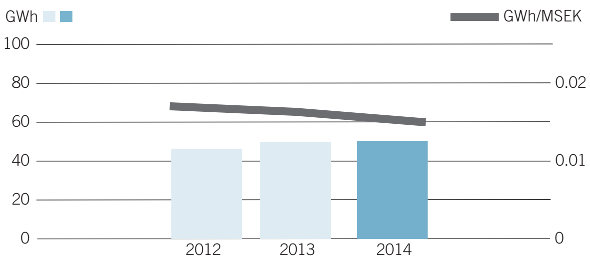
Environment

The most significant environmental concerns include material consumption, chemicals, energy and water, as well as the emission of climateimpacting gases, solvents (volatile organic compounds, VOC), waste, packaging and transport.

- ***Materials and chemicals***. In 2014, approximately 26,600 tons (21,000) of metal, 1,400 tons (830) of plastic and 200 tons (180) of chemicals were used, primarily solvents. The Group continued its efforts to replace hazardous chemical substances. A handful of substances were phased out.

- ***Energy.*** Despite increased production, the Group's energy consumption remained unchanged in absolute figures compared with 2013. Approximately 75 percent (70) comprised indirect energy, primarily electricity. Biofuel and green electricity increased and accounted for just over 12 percent (10) of total consumption.

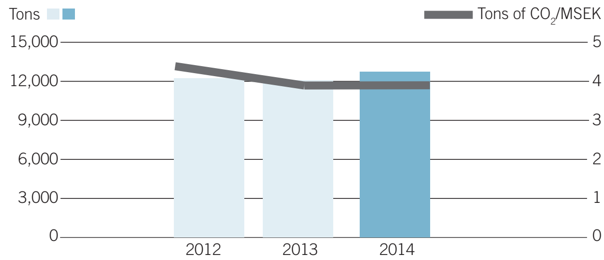
ENERGY CONSUMPTION



- ***Water.*** Water consumption totaled (41,000) cubic meters (32,000), corresponding to 12.4 cubic meters (10.4) per MSEK in net revenues. This increase was mainly due to the production expansion in China. Emissions of pollutants into wastewater were limited.

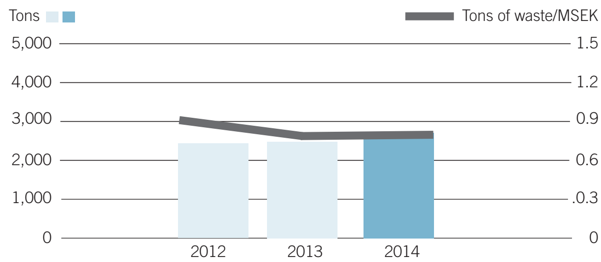
- ***Emissions to the atmosphere.*** CO_2 emissions increased in absolute figures, primarily due to the increased production in countries where purchased electricity is produced from coal. VOC emissions amounted to 34 tons (86). This decrease was attributable to the installation of a catalytic purification plant in China.

CO_2 EMISSIONS



- ***Waste.*** Most of the Group's waste is recycled as materials or energy. Metals are the main recycled material. About 5 percent of the volume of recycled materials comprised hazardous waste, which was handled by approved waste management companies. Improvement initiatives focused on reducing the number of scrapped products.

WASTE



- ***Transport.*** The Group intensified its efforts to reduce its environmental impact from the transport of raw materials, products and people in 2014, partly by purchasing vehicles with lower fuel consumption, coordinating transportation, changing routes, using videoconferences, utilizing waste compaction and using more rail transport.

KEY FIGURES	Lesjöfors	Habia Cable	Beijer Tech
Energy consumption, GWh (% of total Group consumption)	32.8 (66)	12.9 (26)	4.0 (8)
Water consumption, m³ (% of total Group consumption)	20,970 (51)	17,350 (43)	2,450 (6)
CO_2 emissions, tons (% of total Group emissions)	7,750 (61)	4,730 (37)	240 (2)
VOC emissions, tons (% of total Group emissions)	3 (8)	31 (92)	0 (0)
Amount of waste, tons (% of total amount of waste for the Group)	1,930 (71)	630 (23)	170 (6)
ISO 14001, number of certified units	14	1	2
Workplace accidents, number of cases resulting in absence (cases per employee)	30 (0.02)	6 (0.01)	1 (0.004)
Workplace accidents, number of lost working days (days per employee)	149 (0.1)	103 (0.2)	16 (0.07)

The Beijer Alma share is listed on the Nasdaq Stockholm Mid Cap list. For many years, the Group's share-price trend has significantly surpassed that of the average listed company. Those who invested SEK 100 in Beijer Alma shares five years ago saw their investment, excluding dividends, grow to SEK 199 by year-end 2014. A corresponding investment in Nasdaq Stockholm's general index during the same period would have grown to SEK 185.

5,499

At year-end 2014, Beijer Alma had a market capitalization of MSEK 5,499. In 2004, the Group's market capitalization was MSEK 1,230.

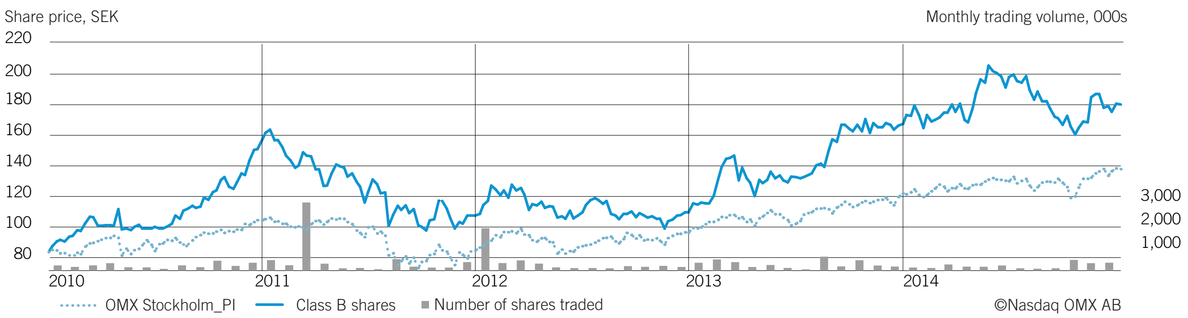
182.50

In 2014, the market price of the Beijer Alma share rose 3 percent. The Stockholm All Share Index increased 12 percent. The closing price at year-end was SEK 182.50 (177.00). The highest price was SEK 210.50, which was quoted on May 20. The lowest price was SEK 158.50, which was quoted on October 16.

2,578,685

A total of 2,578,685 shares were traded during the year, corresponding to 9.6 percent of the outstanding Class B shares. An average of 10,356 shares were traded each trading day.

SHARE PERFORMANCE



ANALYSTS
Danske Bank, Max Frydén
Carnegie Investment Bank AB, Christian Hellman
Erik Penser Bankaktiebolag, Johan Dahl

Read more about Beijer Alma's share performance at beijeralma.se

PER-SHARE DATA	**2014**	2013	2012	2011	2010
Earnings per share after 22.0 or 26.3% standard tax rate, SEK	**10.96**	9.96	8.85	10.49	9.75
After tax, SEK	**10.60**	9.59	8.91	10.38	9.51
Shareholders' equity per share, SEK	**57.91**	53.46	50.43	49.22	46.28
Dividend per share, SEK	**8.50**[1)]	8.00	7.00	7.00	7.00
Dividend ratio, %	**80**	83	79	67	74
Dividend yield, %	**4.7**	4.5	6.0	6.1	4.4
Market price at year-end, SEK	**182.50**	177.00	116.00	114.00	160.50
Highest market price, SEK	**210.50**	184.50	138.25	173.50	160.50
Lowest market price, SEK	**158.50**	116.00	105.75	93.50	91.50
P/E ratio at year-end	**17.2**	18.5	13.0	11.0	16.9
Cash flow per share after capital expenditures	**4.85**	6.64	4.32	5.04	5.58
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	29,456,100

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	1,591,250	20,807,520	11.7
Lannebo Fonder	1,850,617	0	1,850,617	1,850,617	6.1
Didner & Gerge Fonder Aktiebolag	1,566,670	0	1,566,670	1,566,670	5.2
Odin Sverige Akjsefondet	1,326,806	0	1,326,806	1,326,806	4.4
SEB Investment Management	1,322,368	0	1,322,368	1,322,368	4.4
Nordea Investment Funds	774,574	0	774,574	774,574	2.6
Fourth Swedish Pension Insurance Fund	715,106	0	715,106	715,106	2.4
Svolder AB	712,400	0	712,400	712,400	2.4
AMF – Försäkring och Fonder	659,675	0	659,675	659,675	2.2
SEB Micro Cap Fund	650,000	0	650,000	650,000	2.2
Göran W Huldtgren with family and companies	489,789	306,633	183,156	3,249,486	1.6
Fondita Nordic Micro Cap SR	445,000	0	445,000	445,000	1.5
DnB – Carlson Fonder	442,076	0	442,076	442,076	1.5
Other shareholders	11,593,429	327,567	11,265,862	14,541,532	38.3
Total	30,131,100	3,330,000	26,801,100	60,101,100	100.0

Shareholders' register, December 31, 2014

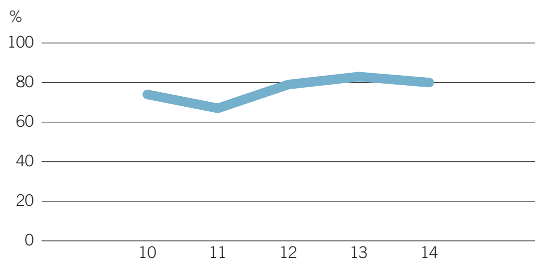
5,542

Beijer Alma currently has 5,542 shareholders. This means that the number of shareholders has more than doubled in ten years. In 2004, the Group had 2,603 shareholders. Of the total number of shareholders, institutional owners accounted for 65.8 percent of capital and 44.5 percent of votes. The holdings of foreign shareholders accounted for 12.2 percent of capital and 6.1 percent of votes.

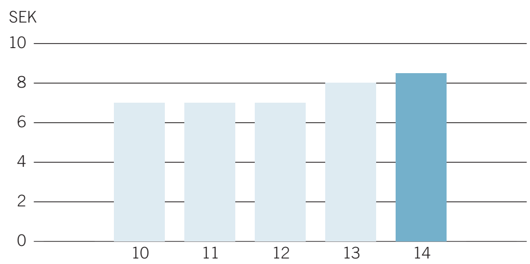
DIVIDEND POLICY

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

DIVIDEND RATIO



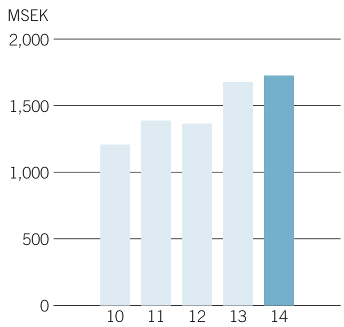
DIVIDEND



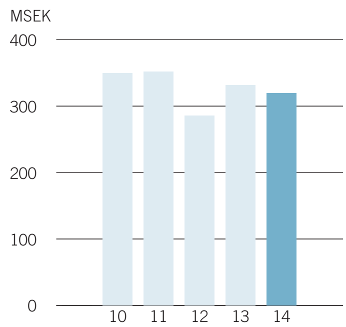
KJELL-ARNE LINDBÄCK, PRESIDENT OF LESJÖFORS

"Our US acquisition has opened up a new market for Lesjöfors, while at the same time enabling the company to provide better support for its existing customers. This transaction has given us a strong market presence and will allow us to expand further through our broad range and extensive spring expertise."

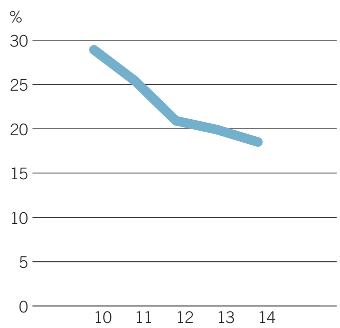
INVOICING



OPERATING PROFIT



OPERATING MARGIN



Lesjöfors is an international, technical service company specializing in industrial springs, wire and flat strip components. The company is a full-range supplier that offers both standard products and custom-manufactured components. Lesjöfors holds a leading position in the Nordic region and is one of the largest spring companies in Europe.

The President of the company is Kjell-Arne Lindbäck, born 1952, Degree in Business Administration, employee since 1997. Bertil Persson is Chairman of the Board.

INDUSTRY. Standard springs, customized products, flat strip components and leaf springs.

CHASSIS SPRINGS. Aftermarket for passenger cars and light trucks.

1,726

Invoicing amounted to MSEK 1,726 (1,676).

US ACQUISITION

Acquisition of US spring company created growth opportunities in North America.

HIGHER GROWTH

New focus on sales activities resulted in higher growth in the German company Velleuer.

320

Operating profit totaled MSEK 320 (332).

LOWER VOLUMES

Lower volumes in Chassis Springs due to the mild winter in 2013/2014.

GROWTH IN INDUSTRIAL SPRINGS

Industrial Springs grew 5 percent in comparable units.

KEY FIGURES

MSEK	**2014**	2013	2012	2011	2010
Net revenues	**1,725.7**	1,676.3	1,366.7	1,386.0	1,206.7
Cost of goods sold	**–1,141.8**	–1,093.9	–857.2	–821.1	–662.4
Gross profit	**583.9**	582.4	509.5	564.9	544.3
Selling expenses	**–134.7**	–130.4	–122.1	–121.0	–113.6
Administrative expenses	**–129.6**	–120.3	–102.0	–91.8	–81.3
Operating profit	**319.6**	331.7	285.4	352.1	349.4
Operating margin, %	**18.5**	19.8	20.9	25.4	28.9
Net financial items	**0.9**	–4.4	–2.3	–3.9	–4.6
Profit after net financial items	**320.5**	327.3	283.1	348.2	344.8
of which, depreciation and amortization	**68.4**	59.0	49.8	49.4	43.2
Capital expenditures, excluding corporate acquisitions	**104.0**	106.2	58.7	59.5	42.9
Return on capital employed, %	**28**	39	36	43	43
Average number of employees	**1,343**	1,386	1,157	1,014	770

Performance in 2014 – weaker demand for chassis springs

- Invoicing in 2014 totaled MSEK 1,726 (1,676), up 3 percent in comparable units.
- Operating profit amounted to MSEK 320 (332) and the operating margin was 19 percent (20).
- Demand in Chassis Springs was initially strong but declined at the end of the first quarter. Overall, volumes for 2014 decreased compared with the preceding year, primarily due to the mild winter in Europe, which reduced the need for maintenance in the automotive market.
- The Industry business area reported 5 percent growth in comparable units. Invoicing in the Nordic region increased 4 percent. Volumes in China decreased during the year. The growth rate in comparable units was slightly more than 22 percent in the UK spring market and 11 percent in Germany.
- Invoicing amounted to MSEK 1,259 in Industry and MSEK 467 in Chassis Springs.

About Lesjöfors – local business influence

Lesjöfors is an international, technical service company specializing in industrial springs, wire and flat strip components. The company is a full-range supplier with 21 production units in ten countries. Its operations are organized into two business areas: Industry and Chassis Springs. Lesjöfors has a small number of Group functions. With the exception of these functions, its expertise and resources are decentralized to the individual production units and local markets, which allows business to be developed in close proximity to the relevant customers and markets. This business approach focuses on sales and manufacturing, with sales personnel and machine operators playing a key role when it comes to ensuring a high level of efficiency and quality.

On December 31, 2014, the company acquired the spring operations of Sandvik Materials Technology, a leading manufacturer in the US market. The company

22

Growth in the UK spring market totaled 22 percent.

Market and sales

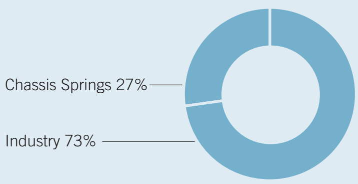
Lesjöfors's broad product range meets its customers' full requirements for springs and flat strip components. The company also has a broad customer portfolio, comprising about 13,000 customers. Its sales are diversified and cover approximately 60 markets. This product and market mix reduces Lesjöfors's dependency on individual products, markets and industries. Other competitive advantages include:

- High level of expertise in spring technology and design.
- Cost-effective manufacturing.
- Efficient distribution and customer service.
- Excellent product quality.

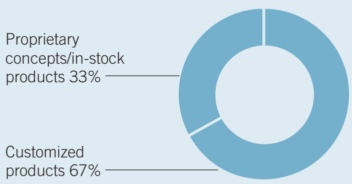
Most of Lesjöfors's sales are conducted by the company itself and are becoming increasingly integrated through shared online portals for specific markets. These web portals offer the products and services of the entire Group. Chassis Springs, which has its own sales organization, offers standardized products. Lesjöfors is able to compete on the basis of its product-range breadth, high level of customer service and efficient logistics. Sales in the Industry business area are more technologically driven. This means that the company's sales personnel and designers work closely to develop the right products and services from the ground up.

The product range is divided into proprietary product concepts and customized components. Proprietary concepts comprise in-stock products that are packaged in an easily accessible manner. Chassis springs and the catalog range of standard springs are examples of such concepts, which account for about 33 percent of sales. Customized components comprise unique design and production solutions and account for the remaining 67 percent of sales.

DISTRIBUTION BY BUSINESS AREA



DISTRIBUTION OF SALES



FACTS ABOUT LESJÖFORS'S SALES

- Cover 60 markets. The largest countries are Germany, Sweden, the UK and China.
- 85 percent of sales are conducted outside Sweden.
- Slightly more than 67 percent of sales pertain to customized products.
- The company's share of the Nordic market for industrial springs amounts to just over 40 percent.
- Its share of the European market for chassis springs is approximately 45 percent.

has manufacturing facilities in the US and Mexico, which are also its main markets, along with Canada. The acquisition has provided the Group with a strong market presence and created opportunities for expansion in North and South America thanks to Lesjöfors's product range and spring expertise. At the same time, Lesjöfors can now offer additional support for its existing US customers and a stronger range of flat coil springs for its customers in other markets.

During the year, investments were made in the Slovakian low-cost producer Centrum B. The company's capacity was expanded with the aim of enabling deliveries to the German market. Approximately 32 percent of Lesjöfors's manufacturing is currently carried out in low-cost countries such as China, Latvia and Slovakia.

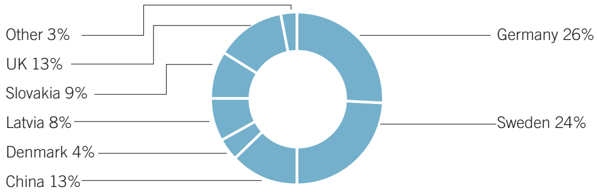
8,000

A total of 8,000 different chassis springs are offered.

Product development – cooperation specialists

The company's proprietary concepts are developed by expanding the product range and developing additional in-stock products. Chassis Springs adds 500 products to its product range every year. Problemsolving skills are crucial in the development of custom-manufactured components and encompasses everything from planning and design to material selection and manufacturing. This work is managed by specialists at each individual plant – some 40 individuals in total. To improve the company's work in this area, Technology Meetings are held every

EMPLOYEES, GEOGRAPHIC DISTRIBUTION



year, during which product developers collaborate on the development of new, innovative technological solutions.

Quality – joint monitoring

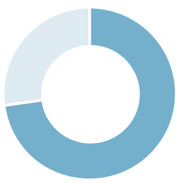
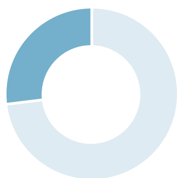
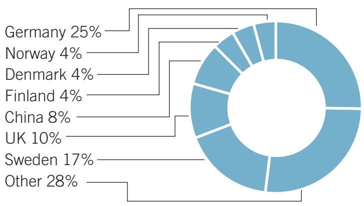
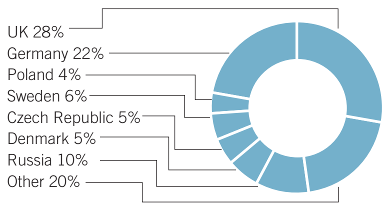
All of Lesjöfors's plants have been awarded ISO 9001 quality certification. Several facilities are also certified in accordance with industry-specific quality standards, including the automotive industry's ISO-TS 16949 standard. The company's quality procedures are integrated into its daily operational processes. All manufacturing units are monitored in relation to some ten quality parameters, including delivery service, product quality and management systems. The results are used as a basis for improvement initiatives. A special monitoring tool has been developed to ensure a high level of delivery service within Chassis Springs, which is one of the key competitive advantages of this business area. This tool is designed for the most in-demand products and has contributed to further raising the level of delivery precision within this business area.

Employees

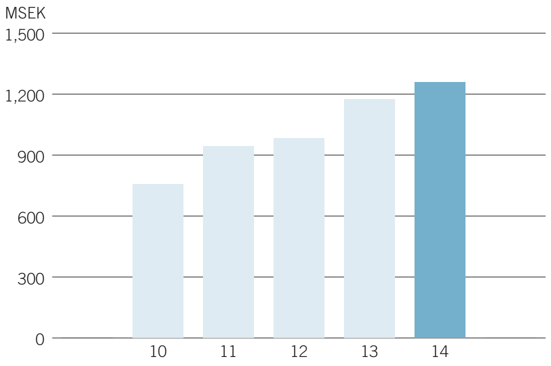
The number of employees decreased by 43 to 1,343 (1,386). A total of 393 employees (434) worked in the low-cost countries of Latvia, Slovakia and China. The number of employees in Sweden totaled 317 (324). Lesjöfors had 181 employees (180) in the UK, 355 (344) in Germany and 52 (59) in Denmark.

KEY FIGURES	**2014**	2013	2012	2011	2010
Average number of employees	**1,343**	1,386	1,157	1,014	770
of whom, salaried employees	**332**	307	265	247	200
of whom, collective-agreement employees	**1,011**	1,079	892	767	570
of whom, men	**899**	909	767	683	541
of whom, women	**444**	477	390	331	229
of whom, in high-cost countries	**950**	952	800	729	601
of whom, in low-cost countries	**393**	434	357	285	169
Number of employees at year-end	**1,384**	1,411	1,264	1,013	778
Sickness absence, %	**3.1**	2.9	2.9	2.6	2.9
of which, short-term absence	**1.8**	1.8	2.0	1.6	1.9
of which, long-term absence	**1.3**	1.1	0.9	1.0	1.0

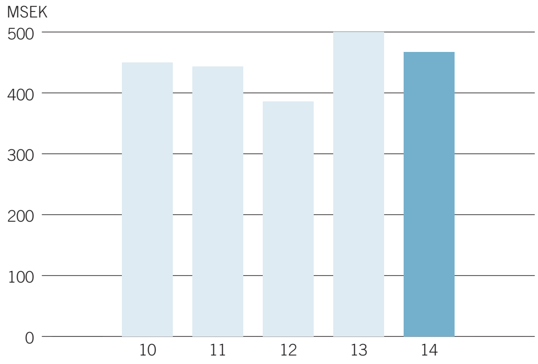
Business areas

	INDUSTRY	CHASSIS SPRINGS
CUSTOMER VALUE/ COMPETITIVE ADVANTAGES	• Wide product range. • High quality and service level. • Capacity for innovation, technical problem solving and proprietary tool development. • Access to production in low-cost countries.	• Lesjöfors is the only company with control of the entire value chain – from design and proprietary manufacturing to inventory management, logistics and service. • Wide product range that is unique in the industry and continuously being developed. • Short lead times and a high service level.
MARKET TRENDS/ DRIVING FORCES	• Mature market where demand tracks the industrial economic trend. • Customers are relocating their manufacturing operations to low-cost countries. • Increasing demand for companies with a local presence. Suppliers are expected to have manufacturing operations near their customers. • A fragmented market with many small, local companies.	• The market for chassis springs has displayed a high growth rate for many years. • The deregulation of the spare parts market has created business opportunities for non-genuine parts, which are often sold at a lower price than genuine spare parts. • Competition intensifying, resulting in price pressure. • Demand impacted by weather. Cold winters increase the need for vehicle maintenance and demand for chassis springs. This trend reverses during mild winters.
CUSTOMERS	• Companies in most industrial sectors, including the telecom, electrical goods, engineering and transportation sectors, as well as the power, electronics, automotive and medical engineering industries. Major customers include ABB, Continental and Bosch.	• European distributors of automotive spare parts, including Mekonomen, Stahlgruber and Ferraris.
COMPETITORS	• Primarily small and medium-sized enterprises with local sales. The largest competitors in the Nordic region are Spinova, Ewes, Meconet and Hagens Fjedre. There are approximately 200 local players in the German market and about 100 in the UK market.	• Specialized spring wholesalers and shock absorber manufacturers, such as Suplex, K+F and Kayaba.
MARKET POSITION	• Lesjöfors's largest markets are the Nordic region, Germany, the UK and China, which account for about 74 percent of sales. The company is one few international players that regularly conducts acquisitions and contributes to the consolidation of the market. • The company has a market share of about 40 percent in the Nordic region, 5 percent in Germany and 10 percent in the UK.	• Lesjöfors's largest markets are the UK, Germany, Scandinavia and Russia, which account for about 80 percent of sales. • Lesjöfors's total market share of the European market is estimated at more than 45 percent.
SHARE OF THE COMPANY'S INVOICING	73% 	27% 
INVOICING BY GEOGRAPHIC MARKET		

INVOICING INDUSTRY

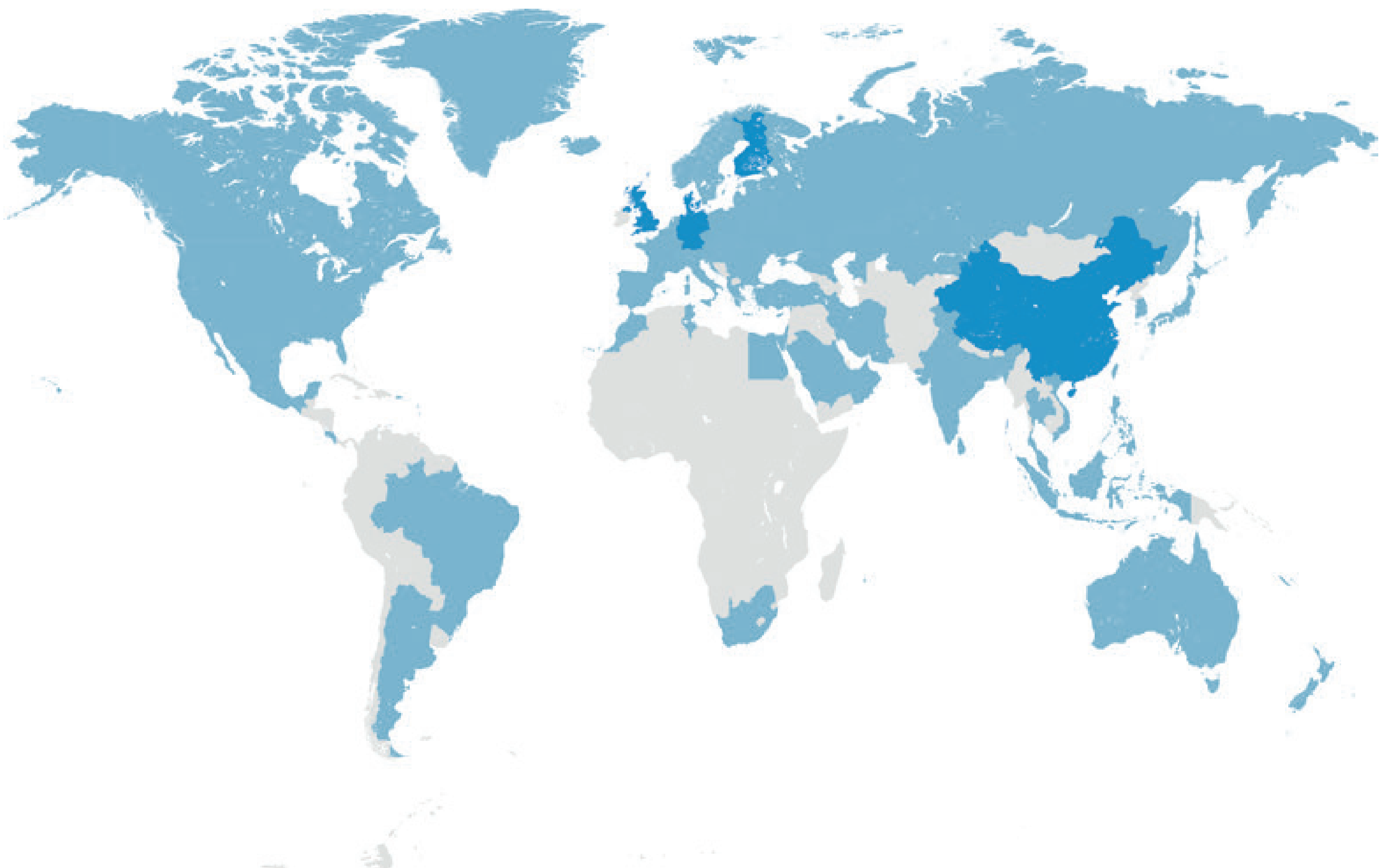


INVOICING CHASSIS SPRINGS



INDUSTRY. Sales of industrial springs grew marginally. The strongest growth was reported in the UK operations and Ireland, where Lesjöfors expanded its marketing activities. Germany also displayed growth, for example, within Velleuer, where changes in sales activities have generated tangible results. Political concerns in Russia and Ukraine impacted the German operations, whose main niche is the agricultural sector, which experienced a sharp decline in demand. Revenue in China was subject to pressure due to the conclusion of project transactions in the telecom sector. Within the Chinese operations, the company's focus on other industrial segments will be expanded in the coming years. Sales in 2014 amounted to MSEK 1,259 (1,176).

CHASSIS SPRINGS. Sales of chassis springs declined approximately 7 percent compared with 2013. However, a comparison with the figures for 2013 is challenging, since demand in 2013 was impacted by exceptionally favorable weather conditions. The main reason for the decline in demand in 2014 was the mild winter weather, which reduced the need for maintenance in the European automotive market. The most significant decline was noted in Germany and the UK. Sales in 2014 amounted to MSEK 467 (500).



News at a glance

Centrum B – global quality supplier

Kiekert is a leading producer of latch closing systems for the global automotive industry. The Lesjöfors-owned Slovakian company Centrum B was recently assigned the prestigious task of delivering parts to Kiekert. Centrum B specializes in the manufacturing of cold coiled springs. The company has long been an approved supplier to Kiekert, a company known for its strict quality requirements.

“We are very pleased to receive this stamp of quality and look forward to becoming a worldwide spring supplier to Kiekert,” says Ján Mačuha, President of Centrum B.

KIERKERT AG

Top results in ABB audit

Lesjöfors’s focus on quality, the environment and safety is yielding results. This was clear in the quality audit performed by ABB in 2014. The audit encompassed the Swedish companies in the Lesjöfors Group that deliver springs to ABB. All systems in the operations were audited, meaning that all processes affecting quality, the external environment, and health and safety were reviewed. Lesjöfors received an excellent result.

“We are pleased with what we saw. When it comes to quality, our past experience with Lesjöfors confirms the results of our audit and shows that Lesjöfors is an excellent supplier to work with,” says Thomas Nordin, Audit Manager at ABB AB Components.

Double the production area in Latvia

Lesjöfors has manufactured gas springs in Latvia since 2008. At the beginning of the year, the operations were relocated to new premises. This move doubled the production area of Lesjöfors Gas Springs, which manufactures 1,500 different gas spring products annually. Relocating to larger premises will enable a more efficient production flow, as well as providing warehouse space where distribution can be managed more effectively. Customer service is a top priority for the Latvian company, which in recent years reported an impressive 100-percent delivery reliability rate.

“It will be a challenge for us to continue along our established path, especially since our production rate will now increase significantly with the addition of these new resources. But we will do everything we can to maintain our high performance level,” says Girts Ancevskis, Head of Lesjöfors Gas Springs in Latvia.

PATRIK SKOLLING MÖLLER

First to introduce new machine technology

More stable production, higher precision and shorter turnaround – these are some of the advantages offered by the fiber laser technology invested in by Lesjöfors Banddetaljer. This new machinery makes it possible to punch and bend more demanding products. Lesjöfors is the first company in Scandinavia to use the technology.

“I am confident that this investment will further advance our market position. We have identified projects where we can utilize the technology and can now manage additional, more complex operations much more efficiently using the same process. Naturally, this will create added value for our customers,” says Jakob Lindquist, President of Lesjöfors Banddetaljer.

SUNE FRIDELL

Groundbreaking US acquisition

During the autumn, Lesjöfors crossed the Atlantic to acquire Sandvik Materials Technology's US motor spring operations. This groundbreaking acquisition will create opportunities for growth and expansion in a major new spring market.

The Lesjöfors Group has now established ties with a leading manufacturer in the US market. The company has approximately 60 employees, generates revenues of slightly more than MSEK 100 and has plants in the US and Mexico. Along with Canada, these two countries also account for most of the company's sales.

"This acquisition will create opportunities for continued expansion in both North and South America," says Kjell-Arne Lindbäck, President and CEO of Lesjöfors AB. "The transaction also strengthened our offering in the area of motor springs. This will benefit our companies with operations in Europe and Asia, while also creating attractive sales opportunities for Lesjöfors's other spring products in the US market."

The newly acquired company's products are used in a range of consumer and industrial products, as well as in the construction and engineering sector, which represents its largest customer segment. Its headquarters and US plant are located in Scranton, Pennsylvania. The plant in Nogales, Mexico, accounts for about 70 percent of the company's manufacturing volume.

ANDREAS HELANDER

Simpler, faster customer service

Service has been simplified for the customers of Lesjöfors's various companies throughout the Nordic region. Now, customers only need to contact a single salesperson, who will then assume responsibility for their entire business. This will make it easier to gain access to the full product range of the Lesjöfors Group, from technology and prices to delivery. At the same time, customers will receive faster access to the full specialist expertise of the Group, for example, with respect to strength calculations, fatigue testing, environmental issues, material analyses and tool design.

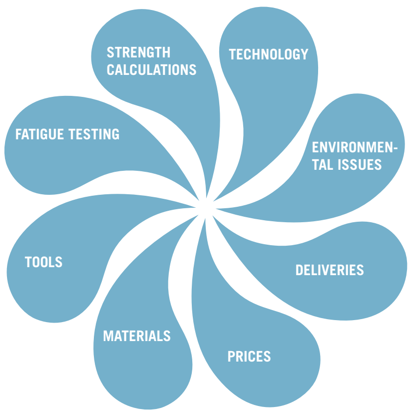
STIHL

Velleuer once again named Supplier of the Year

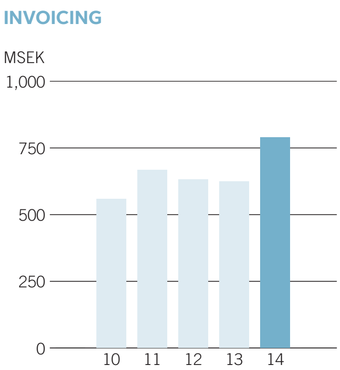
The Lesjöfors-owned German company Velleuer was recently named Supplier of the Year by Andreas Stihl, a world-leading manufacturer of power saws and outdoor power tools.

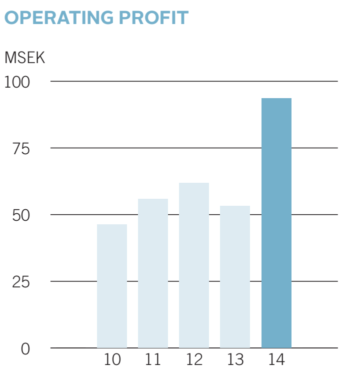
Velleuer, which supplies Stihl with springs and wire strip components, was awarded the prestigious honor for the third time in 2014. The title of Supplier of the Year is awarded to sub-suppliers that meet Stihl's stringent requirements with respect to product development, quality and partnership.

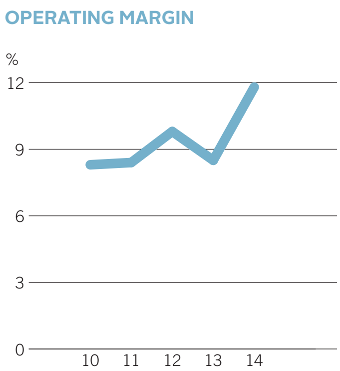
"Receiving this title from a world-renowned customer for the third time is truly a first-rate stamp of quality. This acknowledgement has strengthened our ambition to be a highly competitive supplier when it comes to price, quality and delivery precision," says Frank Jahn, Operations Manager at Velleuer.



"Habia Cable set a new record for invoicing and earnings in 2014 – mainly as a result of a sharp increase in order bookings within mobile telecom, as well as stronger demand from both the nuclear power and industrial markets in Asia and Europe."







Habia Cable manufactures custom-designed cables and cable systems for demanding applications. The company is one of the largest players in custom-designed cables in Europe. Its products are sold in approximately 50 markets. The most important customer segments are telecom, defense, nuclear power, infrastructure and engineering industry.

The President of the company is Carl Modigh, Degree in Engineering and Executive Master of Business Administration, employee since 2006 and President since 2011. Bertil Persson is Chairman of the Board.

TELECOM. Cables for mobile telecom applications.

OTHER INDUSTRY. Cables and cable harnesses for defense, nuclear power and other industry.

790

Invoicing amounted to MSEK 790 (624)

94

Operating profit amounted to MSEK 94 (53).

GROWTH

Growth in the industrial cable segment, where demand increased in several markets compared with 2013.

STRONGER TREND IN NUCLEAR POWER

Stronger trend in the nuclear power segment in both Europe and Asia.

4G

Sharp increase in order bookings within telecom, mainly due to the expansion of the 4G network.

KEY FIGURES

MSEK	**2014**	2013	2012	2011	2010
Net revenues	**790.2**	624.3	632.4	668.2	558.1
Cost of goods sold	**–530.5**	–422.1	–421.3	–469.0	–391.3
Gross profit	**259.7**	202.2	211.1	199.2	166.8
Selling expenses	**–93.4**	–84.7	–89.7	–78.5	–64.2
Administrative expenses	**–72.7**	–64.3	–51.9	–48.6	–42.3
Operating profit	**93.6**	53.2	61.9	55.9	46.2
Operating margin, %	**11.8**	8.5	9.8	8.4	8.3
Net financial items	**–4.1**	–4.3	–4.3	–6.3	–3.3
Profit after net financial items	**89.5**	48.9	57.6	49.6	42.8
of which, depreciation and amortization	**21.0**	17.9	19.9	20.3	22.2
Capital expenditures, excluding corporate acquisitions	**31.3**	16.6	8.6	22.4	10.1
Return on capital employed, %	**24**	14	18	15	14
Average number of employees	**550**	483	462	466	433

Performance in 2014 – record-high invoicing

- Invoicing amounted to MSEK 790 (624). Operating profit totaled MSEK 93.6 (53.2) and the company's operating margin was 11.8 percent (8.5).
- Highly favorable demand from the telecom sector throughout the year. Sales of cables for base-station antennas rose 56 percent, mainly due to the continued global expansion of the 4G network. In response to this trend, Habia has expanded its production capacity in China.
- The performance of the nuclear power market also benefitted Habia, which increased its deliveries of signal and control cables to customers in Asia and Europe.
- Demand in the defense segment was in line with the preceding year, while industrial cable displayed growth in most markets. Demand in the German market increased early in the year, resulting in larger volumes in other European markets and China.
- Invoicing amounted to MSEK 358 in Telecom and MSEK 432 in Other Industry.

About Habia Cable – high degree of customization

Habia Cable develops, markets and manufactures customized cables and cable harnesses for demanding, high-tech applications. Many of its products are used in harsh environments with rigorous performance requirements, such as nuclear power plants, military technology and advanced industrial components. Its products are made from durable, high-performance materials that are able to withstand, for example, extremely high or low temperatures, radioactivity, pressure and vibrations.

The company's operations are conducted in two business areas: Telecom and Other Industry. Other Industry comprises nuclear power, defense and other industrial segments, such as transport, engineering, offshore and manufacturing. A large share of the company's development work is customer driven, particularly in the industrial and defense segments, where many products are designed to meet customer-specific requirements. Telecom cables, Habia's largest product area, are relatively standardized.

Habia has a high level of technological and application know-how in all areas from design to production. Other competitive advantages include:

- High quality
- Customized products
- High-performance materials and coupling solutions
- Flexible production and logistics

27

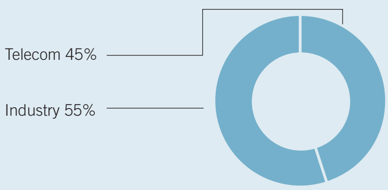
Habia's invoicing increased 27 percent in 2014.

Market and sales

Habia's internal sales organization encompasses 12 countries. Sales are mainly conducted by the company itself, since the sale of custom-designed cables is technically driven. Sales personnel and designers must work closely with customers to identify their needs and develop the right solutions. The company's production is also determined by customer orders and is thus linked to the work of the sales personnel from an early stage. Habia's sales of standardized equipment wire and cables are largely handled by external distributors.

The main markets are Germany, the Nordic region, other countries in Western Europe, China, Korea, the US and India. The 200 largest customers account for about 80 percent of sales. The European market for custom-designed cables is valued at about EUR 1 billion. Habia's share of the defense, nuclear power and industrial segments is estimated at less than 10 percent. The company commands a significantly higher market share within telecom and cables for base-station antennas.

DISTRIBUTION BY BUSINESS AREA



FACTS ABOUT HABIA'S SALES

- Encompass about 50 countries.
- More than 90 percent of sales are conducted outside Sweden.
- Many of the company's cables are used in demanding, high-tech applications.
- The largest customer segment is telecom, which accounted for 45 percent of sales in 2014.

Habia has production facilities in Sweden, China, Germany and Poland. A high level of production flexibility is required since the company's main focus is on custom-designed cables. The telecom sector also imposes strict requirements in terms of short lead times and rapid adaptation. Habia's four plants ensure the company's global production and delivery capacity, thereby meeting the needs of both multinational and local customers.

Via its production facility in China, Habia is able to deliver locally manufactured products to the Chinese market, as well as offering cost-efficient production of large volumes for the global market. In 2014, the capacity of the facility was expanded to meet demand in the telecom sector. As of 2015, the production of telecom cables will be relocated to the plant in China, making it Habia's largest production facility. In 2014, floor space was added to the plant in Poland to create more room for new production equipment and enable future growth.

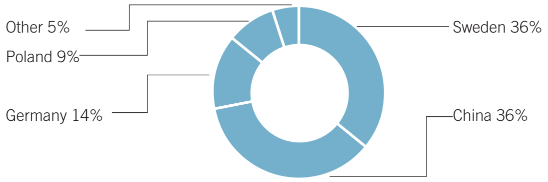
56

Sales of cables for base-station antennas increased 56 percent.

Product development – customer-driven work

Product development is largely customer driven. This work focuses on finding the right combination of materials, designs and manufacturing processes to meet technical and commercial requirements. Some development projects in, for example, the offshore and defense segments are fully or partly financed by customers. The company's development work also focuses on identifying and adapting better or more cost-efficient materials, primarily plastics. Another equally important task is to improve the company's manufacturing processes in order to increase capacity, cut costs or reduce scrapping. Product development also involves ensuring that the company's cables meet various norms and industry standards. This applies primarily to the defense and nuclear power segments, as well as certain industrial markets with rigorous technical requirements that vary between countries.

EMPLOYEES, GEOGRAPHIC DISTRIBUTION



Quality – distinct quality profile

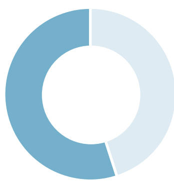
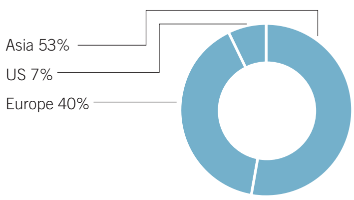
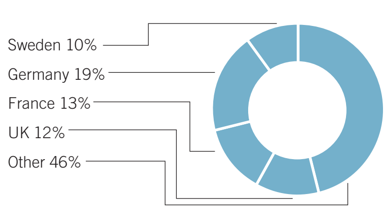
In the international cable market, Habia is known as a quality company with stable, reliable and high-performance products. This focus on quality encompasses the entire chain – from design, development and manufacturing to delivery. Product quality is assessed regularly, and the company's product-quality order fulfillment rate has remained steady at 99 percent without complaint for many years. All of Habia's plants have been awarded ISO 9001 quality certification and many of its products meet the quality requirements of industry standards such as Underwriters Laboratories and Det Norske Veritas (DNV). A number of customers conduct regular audits of the quality systems in place at Habia's plants.

Employees – growth in China

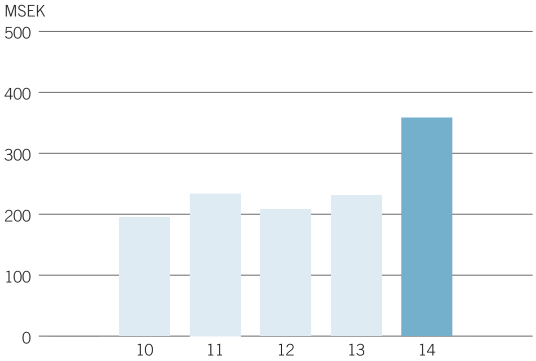
The number of employees increased by 67 to 550 (483). In China and Poland, the number of employees rose by 46 to 246 (200). In other countries, the number of employees increased by 21.

KEY FIGURES	**2014**	2013	2012	2011	2010
Average number of employees	**550**	483	462	466	433
of whom, salaried employees	**177**	175	164	164	159
of whom, collective-agreement employees	**373**	308	298	302	274
of whom, men	**331**	265	275	289	285
of whom, women	**219**	218	187	177	148
of whom, in high-cost countries	**304**	283	274	282	266
of whom, in low-cost countries	**246**	200	188	184	167
Number of employees at year-end	**571**	485	489	461	444
Sickness absence, %	**5.4**	4.4	2.8	3.4	4.1
of which, short-term absence	**4.3**	2.5	2.4	2.2	2.9
of which, long-term absence	**1.1**	1.9	0.4	1.2	1.2

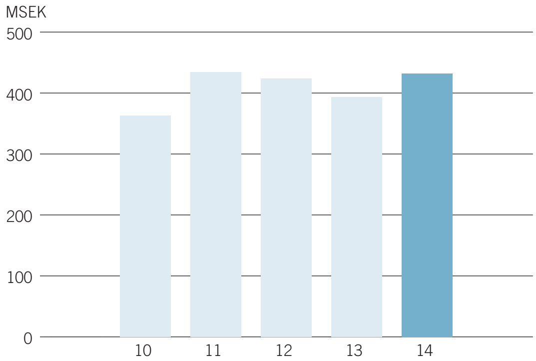
Business areas

	TELECOM	OTHER INDUSTRY
CUSTOMER VALUE/ COMPETITIVE ADVANTAGES	• High quality, innovative products and technical expertise. • Cost-effective production and high delivery performance. • Sales organizations in Europe and Asia.	• Customer-driven development of cables and cable harnesses results in optimal technical solutions. • Quality products in high-performance materials. • Flexible production capacity and global delivery capability. • Short lead times.
MARKET TRENDS/ DRIVING FORCES	• A large portion of antenna production now takes place in Asia. • Establishment of domestic antenna manufacturers, primarily in China. These companies are also striving to expand outside their home markets. • Antennas for 4G networks and active antennas are subject to stricter requirements in terms of cable quality and performance. • The expansion of the 4G network is boosting demand from antenna manufacturers.	• Growing demand in nuclear power. Many facilities are being built or modernized. High security levels are resulting in stricter technical requirements for cables. • Demand in the defense segment remains cautious, particularly in Europe, while demand in Asia is increasing. Stricter European security policies could alter this scenario in the long term. • The somewhat stronger industrial economies in parts of Europe are boosting demand. The ongoing relocation of industrial production from Europe to Asia is boosting demand for companies with global delivery capabilities.
CUSTOMERS	• Global antenna manufacturers in mobile telecom, including Kathrein, RFS and Comba.	• Companies in the defense, nuclear power and other industrial sectors. Most products are used in harsh environments and must be able to withstand, for example, extremely high or low temperatures, radiation, fire, chemicals and repeated bending. • Habia's products are used in such applications as sensors in industrial and marine environments, electric hand tools, gas turbines, marine diesel engines and steelworks.
COMPETITORS	• Varies from market to market. Huber+Suhner in Europe, as well as local companies in various Asian markets.	• International cable companies, such as Tyco Electronics (defense) and Nexans, Prysmian and Rockbestos (nuclear power). Habia's main competitors in the industrial segment and customized cable harnesses include large and small local or regional manufacturers.
MARKET POSITION	• Habia is the leading supplier of cables for base-station antennas in terms of sales, quality and product range. • Sales in about 20 countries, with a focus on Asia and Europe. Products also exported to North America.	• Habia's largest markets are Germany, France and Sweden, which account for 42 percent of sales. • Habia's market share in the nuclear power, defense and industrial cable segments is estimated at less than 10 percent. In certain niche segments, the company's market share is higher.
SHARE OF THE COMPANY'S INVOICING	45% 	55% 
INVOICING BY GEOGRAPHIC MARKET		

INVOICING TELECOM

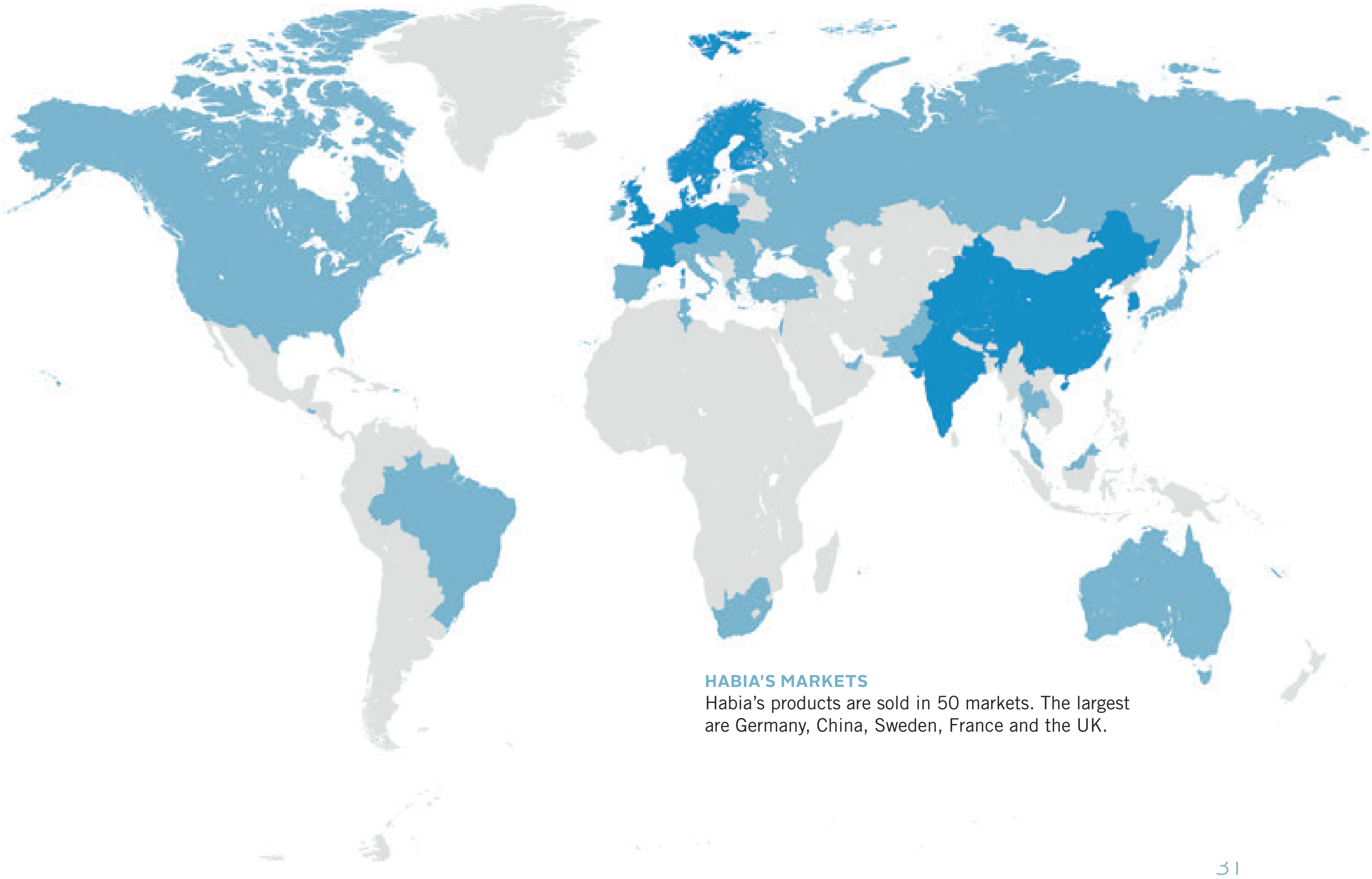


INVOICING OTHER INDUSTRY



TELECOM. Telecom is Habia's largest product area and the company has long been a global market leader within cables for base-station antennas. The company's sales, which began to gain momentum in autumn 2013, continued to increase sharply in 2014. This growth in volumes was mainly attributable to the expansion of the 4G/LTE mobile networks in a number of areas, including the US, Western Europe and such countries as China, South Korea and India. As a result of this increase, Habia decided mid-year to expand the production capacity of its plant in China. During the second half of 2014, a decision was made to relocate all production of telecom cables to China and expand the company's overall capacity. This relocation and expansion, which are expected to be completed in 2015, are also intended to ensure Habia's long-term competitiveness. Sales in Telecom amounted to MSEK 358 for 2014.

OTHER INDUSTRY. Sales to customers in other industrial sectors also increased during the year. The exception was the defense segment, where volumes remained largely unchanged compared with the preceding year. Sales rose in the nuclear power segment, partly as a result of deliveries to customers in Slovakia and South Korea. Demand in the industrial cable segment increased in all major markets. Volume growth was noted in Germany early in the year, followed by an increase in demand for Habia's products in other markets – such as the UK, France and the Nordic region – later in the year. Sales of industrial cables in the Chinese market increased. Sales in Other Industry totaled MSEK 432 for 2014.



HABIA'S MARKETS
Habia's products are sold in 50 markets. The largest are Germany, China, Sweden, France and the UK.

News at a glance

ISTOCK PHOTO

Smaller technical components produce thinner cables

We are now seeing a trend toward customer applications and technical equipment continuously becoming smaller. Habia's cables will need to follow suit if they are to fit into more restricted spaces.

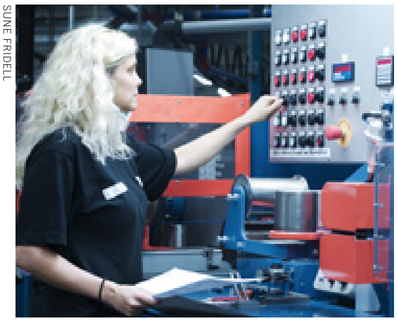
"We can now manufacture products that meet our customers' demands for overall thinner cables. Conductors, insulation and external materials can often be made very small. Using thinner external materials also creates space for more conductors within the same casing than was possible in the past," says Stefan Willman, head of Habia's plant in the German city of Norderstedt, which specializes in manufacturing the absolute smallest cables.

Quality at all levels

Quality is a top priority at Habia Cable and one of the company's main competitive advantages.

"Along with the rest of the organization, we ensure that Habia meets its customers' requirements, as well as those set out the standards for which we are certified. We interpret these standards and make sure the organization implements the necessary changes in an optimal manner," explains Sara Magnusson, head of Habia's quality division.

"All employees must understand their role in the quality process and specially adapted internal training is an important part of this. All new employees also participate in an introduction program, during which quality and other core values are fundamental components."



SUNE FRIDELL

CSR impacts purchasing

Cables from Habia Cable contain approved raw materials manufactured according to the highest standards. Subsuppliers undergo rigorous controls to ensure their compliance with Habia's CSR guidelines – for example, that the use of plastic materials and pigment follows industry rules and international regulations.

"Our customers can feel secure knowing we are doing everything we can to ensure that our approved materials are manufactured according to Habia's CSR rules. This is crucial to us," says Magnus Israelsson, head of strategic purchasing.

Cutting-edge expertise in watertight cables and cable harnesses

Habia's plant in Söderfors has a long history of delivering advanced water blocked cables, which are protected against water leaks along their entire length. At its plant in Poland, the company has developed the skills needed to manufacture watertight cable harnesses, which involves casting water blocked connectors. The products are used in military applications and the oil and submarine industry worldwide.

"We can utilize solutions developed in the past and quickly adapt them to new projects," says Jacek Nastalczyk, head of the technical development division in Lubieszyn.

In terms of quality, the focus is on the safety, service life and watertightness of the products. They must also be able to withstand mechanical strain under high pressure and during normal operation.

ISTOCK PHOTO

Lightweight, flexible Habiatron

Habia has produced nuclear power cables for nearly 30 years – including the Habiatron cable concept, which is specially adapted for applications in this demanding industry. During the spring, 160 kilometers of safety cables were delivered to the Mochovce Nuclear Power Plant in Slovakia.

“Our solution enabled a 30-percent saving in weight and volume. It suited the reactors at Mochovce perfectly,” says Micael Lindberg, Vice President of the Nuclear business area. “The cables were used for instrumentation and control systems, for example, in measuring instruments, valves and pumps.”

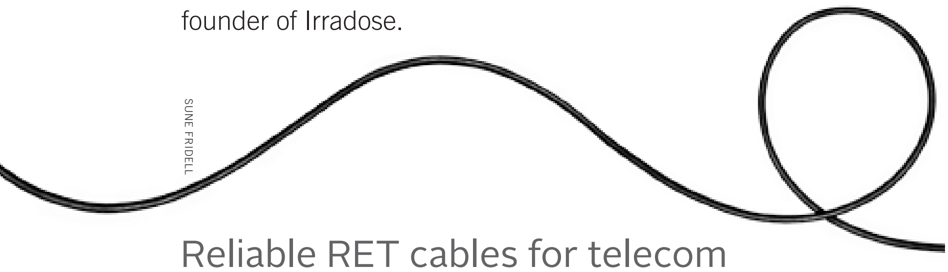
ISTOCK PHOTO

Irradiation improves the properties of plastic

To meet strict safety regulations, the company uses high-quality plastics in all of its cable manufacturing. These materials are costly, but there are other alternatives. Using electron beam processing on less expensive plastic materials can improve their performance significantly. The irradiation process makes cables more durable under stress, extends their life cycle and makes the materials easier to work. As of 2014, Habia Cable – previously a part owner – became the exclusive owner of Irradose, a company specializing in electron beam processing of cables.

“We are the only company in Northern Europe using this cutting-edge technology and we see enormous potential for electron beam processing. There are probably even more applications out there for this quick, cost-efficient technology,” says Hans Forsgren, founder of Irradose.

SUNE FRIDELL



Reliable RET cables for telecom

Work is continuing on customized cables for the telecom market. Take, for example, cables used in RET antennas for mobile stations. Using RET antennas, mobile operators can adjust an antenna's radiation pattern in order to optimize the network, making it possible to handle traffic variations throughout the day. This imposes strict requirements on the cables since they must be able to withstand the harsh weather conditions to which a mobile tower is exposed.

“Our RET cables are approved for temperatures of minus 40 to plus 60 degrees, vibrations, electromagnetic interference, snow, wind and rain,” says Brian Dempster, Business Development Manager at Habia Cable.

ISTOCK PHOTO

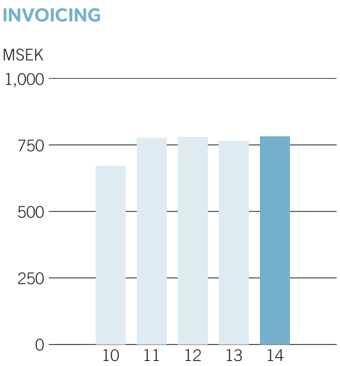
Safety cables for London Underground

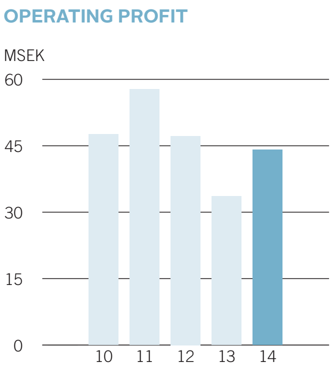
Being able to exit the subway in an emergency situation is incredibly important. For an evacuation to be possible, the cables used in this environment must be fireproof and emit very little smoke and toxic substances should they catch fire. Thanks to its broad range of signal, control and power cables, which meet the highest safety standards, Habia has been assigned the prestigious task of delivering high-quality cables for the most safety-critical areas of the London Underground – such as elevators and escalators. Habia’s cables are also lightweight and low volume and are particularly useful in confined spaces.

HÅKAN HJORT, JOHNÉR BILDBYRÅ AB

PETER KOLLERT, PRESIDENT OF BEIJER TECH

"Beijer Tech's Industrial Products business area benefited from an increased focus on turnkey engineering projects, while Fluid Technology/Industrial Rubber expanded its deliveries of customized products, for example, to the automotive industry."





Beijer Tech specializes in industrial trading in the Nordic region. Its Fluid Technology/Industrial Rubber and Industrial Products business areas refine and customize products from leading manufacturers to create value for professional customers.

The President of the company is Peter Kollert, born 1961, Graduate in Business Administration, employee since 2004. Bertil Persson is Chairman of the Board.

FLUID TECHNOLOGY/INDUSTRIAL RUBBER. Hoses, fittings, hydraulics, rubber products, gaskets, technical seals, power transmission and chemical engineering products.

INDUSTRIAL PRODUCTS. Input goods, consumables and machinery for surface treatment, foundries, steelworks and smelters.

782

Invoicing amounted to MSEK 782 (766).

44

Operating profit totaled MSEK 44 (34).

SWEDOL

Expanded partnership with Swedol, with Beijer Tech serving as a key partner through Lundgrens.

CUSTOMIZED HOSES

Expanded partnership in customized hose products.

GROWTH

Sales in Norspray increased 33 percent.

TURNKEY PROJECTS

Increased focus on turnkey projects involving the upgrade/new installation of entire production lines.

KEY FIGURES

MSEK	**2014**	2013	2012	2011	2010
Net revenues	**782.1**	765.6	780.3	777.1	671.3
Cost of goods sold	**–556.6**	–555.5	–563.9	–556.9	–488.4
Gross margin	**225.5**	210.1	216.4	220.2	182.9
Selling expenses	**–115.2**	–110.0	–104.5	–100.1	–78.1
Administrative expenses	**–66.2**	–66.5	–64.7	–62.3	–56.9
Operating profit	**44.1**	33.6	47.2	57.8	47.9
Operating margin, %	**5.6**	4.4	6.1	7.4	7.1
Net financial items	**–0.6**	–2.0	–0.8	–0.9	–0.3
Profit after net financial items	**43.5**	31.6	46.4	56.9	47.6
of which, depreciation and amortization	**8.5**	9.4	8.7	6.2	6.5
Capital expenditures, excluding corporate acquisitions	**3.9**	3.1	3.1	6.7	2.1
Return on capital employed, %	**17**	13	19	23	19
Average number of employees	**225**	236	207	202	189

Performance in 2014 – more stable demand

- Invoicing in 2014 totaled MSEK 782 (766), up 2 percent compared with the preceding year.
- Operating profit amounted to MSEK 44 (34) and the company's operating margin was 6 percent (4).
- After a weak start to the year, demand stabilized in both business areas during the second half of the year. Demand was boosted by the Group's participation in a number of major investment projects in both the Swedish and Norwegian markets. Despite increased competition in Denmark in 2014, Beijer Tech was able to safeguard its positions and strengthen its operating margin.
- For full-year 2014, Fluid Technology/Industrial Rubber reported a strong sales and earnings trend and higher operating margin. While the overall sales trend in Industrial Products declined, earnings remained unchanged and the operating margin improved slightly.
- Invoicing amounted to MSEK 488 (486) in Industrial Products and MSEK 294 (280) in Fluid Technology/Industrial Rubber.

About Beijer Tech – customer-centric, creative and comprehensive

Beijer Tech specializes in industrial trading. Products and complete solutions are refined and adapted to add value to customers' operations and strengthen their competitiveness. This added value may involve increasing product quality, improving the results of certain processes, generating time and cost savings during manufacturing or reducing a customer's environmental impact. The offering can be described as customer-centric, creative and comprehensive – key terms that reflect Beijer Tech's understanding of its customers' industrial processes, specialist supplier and product expertise and focus on delivery reliability and customization.

The Group comprises nine companies working in two business areas: Fluid Technology/Industrial Rubber and Industrial Products. These areas are coordinated under a Nordic management team with responsibility, for example, for business development and marketing. Operations in Fluid Technology/Industrial Rubber are

2

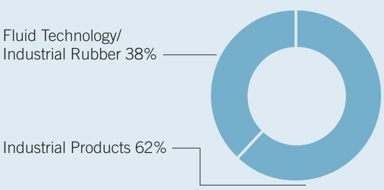
Beijer Tech's invoicing in 2014 rose 2 percent to MSEK 782. Demand in Fluid Technology/Industrial Rubber improved, while the market for Industrial Products remained cautious.

Market and sales

Beijer Tech sells input goods, consumables and machinery, as well as complete industrial facilities. Its sales are geared toward end customers in the Nordic industrial sector, primarily foundries, steelworks, smelters, the manufacturing industry and companies in the offshore sector. The Nordic industrial trading market in the segments in which Beijer Tech operates is valued at SEK 12 billion. One of the company's strengths is its broad customer and supplier base. Beijer Tech has approximately 12,000 customers, which reduces its dependency on individual industries and companies. Purchasing partnerships with leading, international manufacturers ensure a world-class network of contacts and broad product offering.

Beijer Tech's ability to refine and customize products and services is a key driving force behind its sales trend and enables the company to create added value, thereby strengthening its offering and boosting demand for its products. One such example is the special adaptation of hose products within Fluid Technology/Industrial Rubber, which increased the company's sales in 2014. Another example is Industrial Products' trading platform, which was expanded to include the installation of turnkey solutions, such as complete product lines.

DISTRIBUTION BY BUSINESS AREA



FACTS ABOUT BEIJER TECH'S SALES

- Beijer Tech's nine Group companies operate in 15 locations across the Nordic region.
- The single largest market is Sweden, which accounts for 76 percent of sales.
- 63 percent of sales pertain to end customers in the industrial sector.
- The product range encompasses about 35,000 products.
- Leader in industrial hoses in Sweden, with a market share of about 25 percent.
- Leader in blasting media in the Nordic region, with a market share of approximately 30 percent.

conducted through the Group company Lundgrens. Industrial Products functions as a shared trading platform, featuring a combination of products and services from various Group companies.

In contrast to 2013, Beijer Tech conducted no acquisitions in 2014. The majority of the company's work focused on incorporating earlier acquisitions and on development projects in the two business areas. The aim of these projects was to broaden and further refine the company's offering, boost its internal efficiency and strengthen its sales activities in selected product areas.

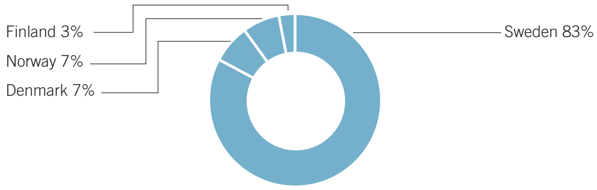
Quality – continuous improvements

The company's quality work is typified by delivery precision, customer service, and industry and product expertise. These key terms are linked to various internal targets, follow-up and improvement initiatives. Surveys are conducted on a regular basis to assess customers' opinions on the level of quality at Beijer Tech. Ensuring quality also involves offering customers clear advantages and added value. To accomplish this, adaptations must be made to any purchased products. In this respect, quality is linked to the creativity and skill shown by the Group companies as they help customers cut costs, enhance their efficiency and make other improvements.

35,000

Beijer Tech's range comprises 35,000 products.

EMPLOYEES, GEOGRAPHIC DISTRIBUTION



Beijer Tech's companies are ISO 9001 quality certified, or hold other industry-specific third-party certifications.

Product range development – refining existing products

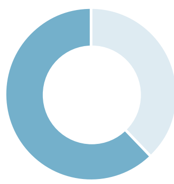
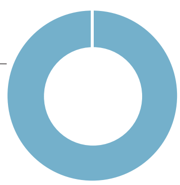
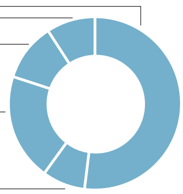
Beijer Tech's product range, which includes about 35,000 products, is one of the company's main competitive advantages. It is thus important that this product range is constantly improved. In Industrial Products, internal product range groups work together to develop the shared trading platform – for example, by refining existing products or finding products that offer better performance, longer service life or a smaller environmental impact. In Fluid Technology/Industrial Rubber, product range development is managed by Lundgrens' sales function. Much of this work focuses on increasing the level of customization, for example, in the form of pre-assembled hose units and customized rubber products.

Employees

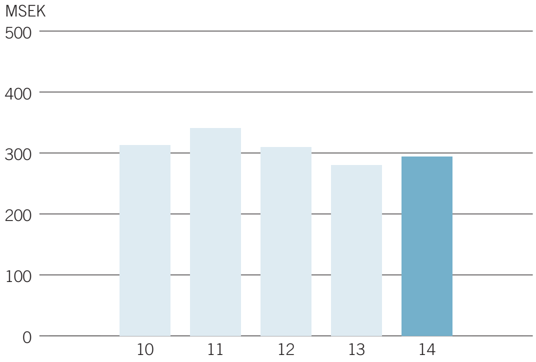
The number of employees in 2014 decreased by 11 from 236 to 225. The number of employees in Sweden totaled 187 (193), down 6 employees. The Beijer Tech Group had 15 employees (20) in Norway, 15 (15) in Denmark and 8 (8) in Finland during the year.

KEY FIGURES	**2014**	2013	2012	2011	2010
Average number of employees	**225**	236	207	202	189
of whom, salaried employees	**154**	161	153	141	126
of whom, collective-agreement employees	**71**	75	54	61	63
of whom, men	**192**	198	171	173	161
of whom, women	**33**	38	36	29	28
of whom, in high-cost countries	**225**	236	207	202	189
of whom, in low-cost countries	**0**	0	0	0	0
Number of employees at year-end	**218**	231	214	207	202
Sickness absence, %	**0.3**	0.9	3.2	2.3	2.3
of which, short-term absence	**0.2**	0.4	1.5	1.5	1.7
of which, long-term absence	**0.1**	0.5	1.7	0.8	0.6

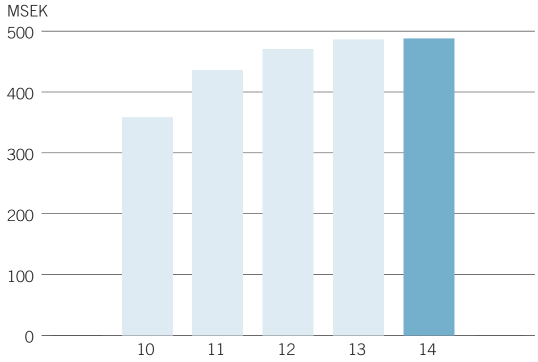
Business areas

	FLUID TECHNOLOGY/INDUSTRIAL RUBBER	INDUSTRIAL PRODUCTS
CUSTOMER VALUE/ COMPETITIVE ADVANTAGES	• Broad range of tried-and-tested products from leading manufacturers. • Large share of specialized products for various industries. • Leading product expertise and extensive industry know-how improve customers' overall finances. • High delivery performance through efficient logistics solutions.	• Close proximity to customers. • Broad product range. • High level of creativity and tried-and-tested solutions create a strong trading platform. • Outsourcing of repairs and surface treatment. • Turnkey solutions – machinery sales supplemented by repairs and installation.
MARKET TRENDS/ DRIVING FORCES	• Retailers are moving toward a comprehensive offering of products and services for maintenance, repairs and operations. • Internationalization is enabling sales to Swedish customers' production facilities abroad. • Trend toward increased consolidation among retailers. • Focusing on an efficient supply of goods reduces the risk of standstills. • Increased demand for specially adapted products. • Demand for high-quality products declining in favor of working quality. • Growing interest in portal-based procurement, which allows tenders to be submitted to a web portal that is then used to help the customer make decisions during the procurement process.	• Internationalization – a challenge that is nonetheless enabling sales to Swedish customers' production facilities abroad. • At the global level, production is being concentrated closer to the consumer, driven by demands on quality, competence, cultural considerations, transport costs and environmental standards. This is creating both opportunities and challenges. • Global competition is boosting demand for process efficiency/automation and energy savings in the Nordic region. • The trend toward cost cutting and outsourcing is raising demand for turnkey solutions.
CUSTOMERS	• Companies in the retail, industrial, shipping and offshore sectors, as well as contractors, agricultural operations and environmental remediation companies. Customers include Rosemont, Nederman and Scania, as well as hardware stores and professional suppliers.	• Companies in metal working, including foundries, steelworks, engineering industry and offshore comanies, such as Beerenberg, Scania, Seco Tools and SSAB.
COMPETITORS	• Competitors in Fluid Technology include Trelleborg, Hydroscand, Hiflex and Specma, and competitors in Industrial Rubber include National Gummi, Trelleborg and Rubber Company.	• The largest competitors in the foundry segment are Calderys Nordic, Foseco, Lux and Meca Trade. Competitors include Vesuvius and Indesko in steelworks and smelters, and companies such as Tyrolit, KMC and Metabrasive in surface treatment.
MARKET POSITION	• The main market is Sweden. • A fragmented market in which Beijer Tech has a strong position in several niches, including industrial hoses and rubber, where the company's share is about 25 percent.	• The main market is the Nordic region and the single largest market is Sweden, which accounts for about 52 percent of sales. • A fragmented market in which Beijer Tech has a strong position in several niches, including blasting media, with a share of just over 30 percent, and precision grinding, with a share of 10 percent.
SHARE OF GROUP INVOICING	38% 	62% 
INVOICING BY GEOGRAPHIC MARKET	Sweden 100% 	Sweden 52% Finland 9% Denmark 11% Norway 20% Other 8% 

INVOICING FLUID TECHNOLOGY/INDUSTRIAL RUBBER



INVOICING INDUSTRIAL PRODUCTS



FLUID TECHNOLOGY/INDUSTRIAL RUBBER. Fluid Technology/Industrial Rubber accounts for approximately 38 percent of revenues in Beijer Tech. The company's market encompasses Sweden, where Lundgrens is a leader in industrial hoses with a market share of about 25 percent. After a weak start, demand stabilized during the second half of the year. 2014 was marked by the expansion of partnerships between Lundgrens and several key customers. The company's focus on introducing more specially adapted products also yielded results, strengthening the market share of several customers. Lundgrens also continued to report strong margins and sales for 2014 amounted to MSEK 294 (280).

INDUSTRIAL PRODUCTS. Beijer Tech's companies holds strong positions in several segments in the Nordic region. The company has a market share of about 30 percent in blasting media and 10 percent in precision grinding in Sweden. Demand was weak early in the year, but later stabilized. As a result of structural changes among customers, the company's coke operations in Lidköping were discontinued. This had a negative impact on invoicing. At the same time, Beijer Tech increased its focus on turnkey solutions – including complete product lines – which boosted its invoicing. Volumes increased in both the Danish and Norwegian markets. In Norway, the subsidiary Norspray expanded its deliveries to the offshore market significantly. Sales in 2014 amounted to MSEK 488 (486).

News at a glance

Customized foundation hose for LKAB


FREDRIC ALM

Lundgrens has developed a customized concrete transport hose for the mining and ore processing company LKAB. A shaft at the company's mine in Kiruna, Sweden, had been hollowed as a result of iron mining and needed to be reinforced. To do so, the shaft – which measures 245 meters in length and is built on three levels – needed to be filled with concrete. However, space was limited in the mine galleries and the company did not have a concrete hose long enough to reach the area.

"We designed a hose in which each section measured 2.5 meters in length and 200 millimeters in diameter," explains Bo Wijkander, Site Manager for Lundgrens Sverige AB. "The hose components were designed to fit into one another, with the inner diameter of one end matching the outer diameter of the other end. We also used vulcanized iron rings in the hose components which we attached using a specially designed screw. Chains were then used to lower the hoses into the shaft at the same as they were attached together."


ISTOCK PHOTO

New blasting hall doubles capacity

Rapp Bomek, located in the Norwegian town of Bodø, manufactures steel doors for customers in the shipping and offshore sector. When the company needed to build a new blasting and painting facility, it turned to Norspray, which assumed chief responsibility for the project – from drawing board to complete facility.

"We built the new facility in 2014 in cooperation with our supplier Airblast. The new hall is more automated than in the past. The door parts are now transported between blasting, painting and tempering in a faster and more efficient manner," explains Kjetil Stenehjem, Sales Manager at Norspray. "And as a result, Rapp Bomek has doubled its production capacity."

Hotbox with Absolut temperature control

Heat treatment is one of the specialties of Karlebo, whose customers include steelworks and engineering companies that anneal and temper steel. The heat treatment process is carried out by passing the steel through furnaces. This process can take between eight and ten hours. Heat treatment can also be used for glass and Karlebo has delivered products used in the manufacturing of the famous Absolut vodka bottle.

"Temperature measurement is incredibly important. You need to be aware of the temperature and maintain a consistent temperature in the furnace," explains Håkan Engström of Karlebo.

To facilitate temperature measurement, Karlebo offers a product known as PhoenixTM Hotbox. The device is simply inserted into the furnace, follows along during the process and provides a highly precise temperature measurement. A major advantage of PhoenixTM Hotbox is that it is easier to handle than other competing products. It also comes with a powerful software package that enables all process data to be analyzed quickly and easily.


ISTOCK PHOTO

3D printing – exciting new technology

Casting requires a mold, which is often made from sand. The shape is created using a tool that is costly and time-consuming to produce. A new technology is now being used to produce molds, a technology known as 3D printing. The principle is the same as with a normal printer, but without the ink. Instead, the printout, or rather design, is three-dimensional and made with sand.

The form is designed using a drawing program. The digital drawing is then sent to the sand printer. Since 3D printers have no limitations, they are particularly well suited for complex molds. Karlebo works together with the company ExOne to utilize this technology, which is now attracting the interest of automotive and engineering companies.

"One advantage is that lead times are reduced significantly. Producing a tool for a sand mold can take two months. 3D technology can cut this time to two weeks," says Peter Skoog, President of Karlebo. The technology is currently being used as a supplement to prototype manufacturing, but has the long-term potential to become a significant part of the production process.

Teamwork behind turnkey foundry project

Karlebo and PMU have developed and completed a turnkey facility for the foundry company Combi Casting. Beijer Industri also delivered fireproof materials for the facility, making the project a wide-scale collaboration for the Beijer Tech Group. Work began in 2013 and the foundry was put into operation in the first half of 2014.

"In addition to supplying all of the machinery, we also planned and designed the entire operation, including the new tempering facility. And this is exactly how we want to work – selling and delivering complete turnkey foundries. Something that is now possible thanks to Beijer Tech's broad offering," explains Peter Johansson, President of PMU.

Smarter pump technology

Norspray is now offering a new base coat tool for fire protection, which improves the quality of the work being performed – a pump supplied by Graco and used, for example, for surface treatment of oil rigs. The pump, which is used for passive fire protection (PFP), sprays a protective coating used to treat the platforms for safety purposes.

"The pump uses a two-part coating, which must be precise to provide sufficient fire protection. The PFP pump detects this itself and won't start if the mix is incorrect," explains Kjetil Stenehjem, Sales Manager at Norspray.

The pump also documents the entire work process and produces a "receipt" once the work is done, which provides information about pressure, temperature, confirmation that the mix was correct and the amounts used. In the past, the person performing the work was responsible for determining whether everything was correct. Now, the new pump technology can be used to provide quality assurance.

OMSG

Quality pays off

Blasting is a quick and efficient method for cleaning metal products. Various techniques can be, including the shot-blasting of small steel balls to clean the object. Tebeco is now aiming to demonstrate the quality of its blasting instruments using its own testing equipment.

"Using the right steel blasting instruments can help companies save money. Quality products have a longer working life and enable more efficient blasting. They reduce the wear on the machines, and result in lower operating costs and fewer maintenance stoppages," explains Gunnar Thornberg, President of Tebeco.

The test machine supplied by the US company Ervin provides customers with confirmation of the performance of various blasting instruments. A high-quality product has a 25 to 50 percent longer service life. This results in lower purchasing volumes and reduces the total cost, taking into account the blasting instrument and wear on the machine.

The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2014 financial year.

Corporate Governance Report

GROUP CONTROL

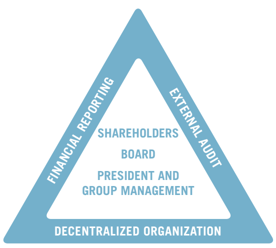
Beijer Alma AB is a Swedish public limited liability company listed on NASDAQ OMX Stockholm AB (Stockholm Stock Exchange). Accordingly, Beijer Alma's corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, NASDAQ OMX Stockholm's rules for issuers,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

DEVIATIONS FROM THE CODE

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

Beijer Alma also deviates from provision 4.2 of the Code, which stipulates that deputy directors may not be elected as directors by the Annual General Meeting. The Annual General Meeting elected the company's President as Deputy Director based on the Nomination Committee's motion.

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



SHAREHOLDERS AND THE SHARE

According to Euroclear Sweden AB's shareholder register, the number of shareholders at year-end 2014 amounted to 5,542. The total number of shares was 30,131,100, of which 3,330,000 were Class A shares and 26,801,100 were Class B shares. Anders Wall, along with his family and companies, has a shareholding corresponding to 34.6 percent of the total number of votes in the company and the Anders Wall Foundation holds 18.4 percent. There are no other shareholders whose votes exceed 10 percent of the total number of votes.

Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. The Class B share is listed on the Mid Cap list of Nasdaq Stockholm. All shares have a quotient value of SEK 4.17, 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 highest decision-making body in which the shareholders are entitled to make decisions on matters pertaining to Beijer Alma. The Annual General Meeting shall be held not more than six months after the end of the financial year. All shareholders who are registered in the shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and vote in accordance with their total shareholdings. The notice of the Meeting is published in the Swedish Official Gazette (Post- och Inrikes Tidningar), Dagens Industri, Upsala Nya Tidning and on the company's website. Shareholders who are unable to attend the Meeting may be represented by an authorized proxy. Each shareholder or proxy may be accompanied at the Meeting by up to two advisors.

A total of 459 shareholders participated in the Annual General Meeting on March 27, 2014, representing 61.9 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 resolutions passed by the Annual General Meeting included the following:

- To issue a dividend of SEK 8.00 per share.
- To re-elect Directors Carina Andersson, Marianne Brismar, Anders G. Carlberg, Peter Nilsson, Anders Ullberg, Anders Wall and Johan Wall, as well as Deputy Director Bertil Persson.
- To re-elect Anders Wall as Chairman of the Board and Johan Wall as Deputy Chairman.
- To pay each director a fee of SEK 300,000. To pay the Chairman of the Board a fee of SEK 900,000.
- Principles for remuneration and employment terms for senior executives.
- To re-elect the auditing firm Öhrlings Pricewaterhouse-Coopers AB for a period of one year. The auditing firm announced that it intended to appoint Authorized Public Accountant Leonard Daun as Beijer Alma's Chief Auditor.
- 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 a preparatory body responsible for presenting motions regarding, for example, the Board, auditors and fees for resolution by the Annual General Meeting. A Nomination Committee was appointed by the 2014 Annual General Meeting. The task of the Nomination Committee is to submit motions concerning the Board of Directors, the Chairman of the Board of Directors, directors' fees, the Chairman of the Annual General Meeting, the auditors and auditors' fees ahead of the 2015 Annual General Meeting. The individuals appointed were Anders Wall, in his capacity as principal owner and Chairman of the Board, Director Johan Wall and three representatives of the next largest shareholders. These representatives were Mats Gustafsson (Lannebo Fonder), Henrik

Didner (Didner & Gerge Fonder) and Hans Ek (SEB Fonder). If a change in ownership occurs or if one of the aforementioned individuals resigns from his or her position, the Nomination Committee may replace the committee member with a representative of the next largest owner.

The Chairman of the Board held individual discussions with each director to assess the work and competence requirements of the Board. The Chairman of the Board provided the Nomination Committee with information about this assessment, as well as the company's operations and other relevant circumstances. The Nomination Committee's motions will be presented in the notice of the 2015 Annual General Meeting. The Nomination Committee held two meetings during the year.

BOARD OF DIRECTORS

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

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

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

In 2014, 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 Lesjöfors's units, where local management presented the company's operations. One of the Board meetings focused on strategy issues. Beijer Alma's auditor reported his findings from the audit of the Group's accounts and internal control procedures at two Board meetings. The auditor also provided information concerning accounting changes and their impact on Beijer Alma. The Board and President are presented in Note 2 on page 58 of the Annual Report

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

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

This work plan is reviewed and updated annually. In addition, the division of duties between the Board and the President, as well as their responsibilities and authorities, are governed by a directive. The Board also has formal requirements pertaining to information about the performance of the Group and the individual companies. This has resulted in a monthly report that contains key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees.

REMUNERATION COMMITTEE

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

The company's remuneration principles and guidelines are described in Note 1, and the Board of Directors' recommendation to the Annual General Meeting is that these remain unchanged for 2015. The Remuneration Committee held one meeting in 2014, which was attended by all members.

AUDIT COMMITTEE

The Audit Committee comprises the entire Board of Directors.

CODE OF CONDUCT

The Group's focus on corporate social responsibility continued during 2014. The Group's values have been compiled in a Code of Conduct based on internationally accepted conventions. The 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. Additional information about the Group's CSR efforts is available on the website and on pages 12–15 of the Annual Report.

OPERATIONAL CONTROL

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

BOARD OF DIRECTORS

Director	Elected in	Independent of major shareholders	Independent of the company	Remuneration Committee	Audit Committee	Participation in Board meetings	Holding of Class A shares	Holding of Class B shares
Anders Wall, Chairman	1992		X	X	X	6 (7)	1,921,600	1,591,520
Carina Andersson, Director	2011	X	X		X	7 (7)		2,000
Marianne Brismar, Director	2010	X	X		X	7 (7)		10,000
Anders G. Carlberg, Director	1997	X	X	X	X	7 (7)		3,000
Peter Nilsson, Director	2008	X	X		X	4 (7)		3,000
Anders Ullberg, Director	2007	X	X	X	X	7 (7)		15,000
Johan Wall, Deputy Chairman	1997		X		X	7 (7)		3,000

Board's instructions and guidelines, and ensures that the Board's decisions are executed.

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

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

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

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

The essence of the Group's reporting and monitoring systems is that the systems should be characterized by decentralization and transparency. In each subsidiary, considerable significance is given to improving and streamlining the company's processes. Extensive effort has been devoted to implementing and developing business systems to enhance the measurement of the profitability of individual businesses, customers, industries and geographic markets. The Group measures the costs for 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, which comprises annual and interim reports. Internal control is also intended to provide reasonable assurance that these financial reports are prepared in accordance with any prevailing legislation, applicable accounting standards and other rules for listed companies.

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

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

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

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

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

These financial statements are analyzed at the profit center, business area, subsidiary and Group levels. Extensive analysis of deviations is performed as part of these analyses. Deviations from estimates and expected results are analyzed, as are deviations from historical data and forecasts. The operational follow-up that takes place at the Parent Company level is a key component of Beijer Alma's internal control.

Reviews take place at all levels to ensure that internal controls are performed. The Board is responsible for these reviews.

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

EXTERNAL AUDIT

At the 2014 Annual General Meeting, Öhrlings PricewaterhouseCoopers AB (PwC) was elected as auditor until the 2015 Annual General Meeting. PwC has audited Beijer Alma for more than 20 years. Leonard Daun was appointed as Chief Auditor.

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

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

Revenues and earnings

GROUP

The Group reported a positive sales trend, despite a weak recovery in the industrial economy in many of Beijer Alma's markets. Habia's sales of cables for base-station antennas displayed particularly strong growth. Lesjöfors's Chassis Springs business area, which conducts sales to the automotive aftermarket, reported lower volumes than in the record-high 2013. Sales to the engineering industry were stable, with the strongest growth noted in the UK market.

Order bookings rose 5 percent to MSEK 3,282 (3,112). Invoicing amounted to MSEK 3,298 (3,066), up 8 percent. In comparable units, order bookings increased 4 percent and invoicing 6 percent. Fluctuations in exchanges rates boosted invoicing and order bookings by 3 percent.

The share of foreign sales was 74 percent (70). Lesjöfors and Habia's share of foreign sales amounted to 85 and 95 percent, respectively, while Beijer Tech conducted 70 percent of its sales in Sweden.

Operating profit totaled MSEK 427.5 (396.3) and the operating margin was 13.0 percent (12.9). Exchange rates and forward agreements had a positive impact of MSEK 16 on earnings compared with 2013. Profit after net financial items amounted to MSEK 423.6 (384.7) and net profit totaled MSEK 319.3 (289.0).

Over the past five years, the Group performed as follows:

MSEK	**2014**	2013	2012	2011	2010
Net revenues	**3,298**	3,066	2,780	2,830	2,290
Profit after net financial items	**424**	385	362	429	399
Net profit	**319**	289	269	313	287
Shareholders' equity	**1,745**	1,611	1,520	1,483	1,395
Total assets	**2,744**	2,548	2,395	2,201	1,976

SUBSIDIARIES

Lesjöfors is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. Order bookings amounted to MSEK 1,714 (1,708). Invoicing totaled MSEK 1,726 (1,676), up 3 percent. In comparable units, the order bookings declined 3 percent and invoicing fell 2 percent. Fluctuations in exchanges rates boosted invoicing and order bookings by 4 percent. Operating profit totaled MSEK 319.5 (331.7).

Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Industry's performance varied, with favorable growth in the UK and a lower growth rate in Germany. Volumes in Chassis Springs declined compared with the very strong figures reported in 2013. Despite this decline, 2014 was the second strongest year to date for Chassis Springs in terms of volume.

Sandvik's US motor spring operations were acquired on December 31, 2014.

Habia Cable manufactures custom-designed cables. Order bookings increased 23 percent to MSEK 786 (637). Invoicing totaled MSEK 790 (624), up 27 percent. Fluctuations in exchange rates had a positive impact of MSEK 6 on order bookings and invoicing. Operating profit amounted to MSEK 93.6 (53.2).

Habia's reported strong sales to the telecom sector during the year and the company captured market shares. Demand was driven by the expansion of the 4G network, particularly in China. Other customer segments also displayed favorable growth.

Beijer Tech conducts industrial trading in two business areas: Industrial Products and Fluid Technology/Industrial Rubber. Order bookings and invoicing increased 2 percent to MSEK 782 (766). Operating profit totaled MSEK 44.1 (33.6).

Sales remained unchanged in the Industrial Products business area and increased 5 percent in Fluid Technology/ Industrial Rubber.

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 totaled MSEK 247.8 (221.3) and included dividends and Group contributions from subsidiaries amounting to MSEK 272 (249).

CAPITAL EXPENDITURES

Investments in fixed assets, excluding corporate acquisitions, amounted to MSEK 140 (126), compared with depreciation totaling MSEK 98.7 (86.7). Of these investments, MSEK 104 was invested in Lesjöfors, MSEK 31 in Habia and MSEK 4 in Beijer Tech.

PRODUCT DEVELOPMENT

Development costs primarily pertain to specific orders and are therefore charged to the respective orders and recognized as cost of goods sold.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to MSEK 146 (200) and included corporate acquisitions totaling MSEK 115 (77). Excluding corporate acquisitions, cash flow amounted to MSEK 261 (277).

The Group had a net debt of MSEK 190 (92) at year-end. Available liquidity, which is defined as cash and cash equivalents plus approved but unutilized committed credit facilities, totaled MSEK 836 (715).

The equity ratio was 63.6 percent (63.2). The net debt/equity ratio, which is defined as net debt in relation to shareholders' equity, was 10.9 percent (5.7).

RETURN ON CAPITAL EMPLOYED

The return on average capital employed was 21.3 percent (21.1), while the while the return on average shareholders' equity was 19.7 percent (19.2).

CORPORATE ACQUISITIONS

Lesjöfors acquired Sandvik Materials Technology's motor spring operations. The acquisition was an asset-transfer acquisition in the newly formed company Lesjöfors Springs America Inc. The business has revenues of slightly more than MSEK 100 and manufacturing facilities in the US and Mexico. Its customers operate in the engineering industry and construction sector in North America.

EMPLOYEES

The number of employees was 2,124 (2,110), corresponding to an increase of 14 people. No new employees were added through corporate acquisitions since the acquisition in the US occurred on December 31, 2014. Lesjöfors and Habia conduct some manufacturing in China, Latvia, Slovakia and Poland, where salary costs are lower. The number of employees in these countries increased by 5 to 639. The number of employees in Sweden was 710 (699).

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

OWNERSHIP CONDITIONS

Beijer Alma has approximately 5,500 shareholders (4,900). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.7 percent of the capital and 34.6 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 13.5 percent, Lannebo Fonder with 6.1 percent and Didner & Gerge Fonder AB with 5.2 percent.

ENVIRONMENT

Key sustainability issues

Our efforts related to sustainable development focus on four main areas:

- Enhancing energy efficiency and reducing the amount of waste generated by our production facilities.
- Reducing the climate impact of processes and transport.
- Creating a strong, stimulating work environment for our employees.
- Assisting the Group's subsuppliers in their work related to sustainable development.

The Group's sustainability work is influenced by various stakeholders, who impose demands and express opinions on the operations. Meeting and exceeding these expectations – and planning for anticipated future demands – is part of our sustainable development strategy.

CUSTOMERS

Many customers are imposing increasingly strict demands when it comes to sustainability – for example, requiring that production facilities have certified environmental and quality management systems in place or that certain chemical substances not be used in the company's products. Requirements with respect to environmental product declarations and compliance with the customer's code of conduct are also common. Customer requirements are followed up through questionnaires and audits. In 2014, follow-ups were performed at one third of the Group's units. The results were generally positive.

SUPPLIERS

During the financial year, the Group's interactions with suppliers regarding environmental and social responsibility were developed. An increasing portion of the Group's units are informing their suppliers about Beijer Alma's Code of Conduct and demanding their compliance. The Group companies are taking a more proactive approach to assessing suppliers' sustainability work. In 2014, 124 (43) surveys and 51 (38) audits were performed. These assessments showed that the suppliers were meeting the requirements for sustainable business.

AUTHORITIES

Beijer Alma's operations are subject to extensive environmental and work environment legislation. The companies' compliance with this legislation is monitored through reports to various authorities and by way of inspections. In 2014, roughly ten visits and inspections were carried out by environmental and work environment authorities, most of which resulted in no negative remarks or only minor change requirements. No violations of environmental or work environment legislation were reported in 2014.

A more detailed description of the Group's environmental work is available on pages 12–15.

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. For Beijer Alma, these risks arise because Lesjöfors and Habia conduct 85 and 95 percent of their sales, respectively, outside Sweden, while just over half of their manufacturing takes place outside Sweden. This means that income and expenses are reported, to a certain extent, in different currencies.

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.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

OUTLOOK FOR 2015

Overall, the Group's order bookings and stock of orders indicate that demand will be relatively stable compared with 2014. However, the performance of Lesjöfors's Chassis Springs business area and Habia's Telecom business area will be crucial with respect to the Group's earnings trend. Demand in these areas was highly favorable in early 2014, making it challenging to establish accurate comparative data for the first quarter.

PROPOSED APPROPRIATION OF PROFITS

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

SEK 000s	
Retained earnings	19,349
Net profit for the year	247,752
Total	267,101
to be appropriated as follows:	
Ordinary dividend to shareholders of SEK 8.50 per share	256,114
To be carried forward	10,987

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 57 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate.

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

Amount in 000s	Note	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Net revenues	3,4	**3,298,160**	3,066,492	**–**	–
Cost of goods sold	1,8,9	**–2,229,052**	–2,071,514	**–**	–
Gross profit		**1,069,108**	994,978	**0**	0
Selling expenses	1,8,9	**–343,349**	–324,946	**–**	–
Administrative expenses	1,5,8,9	**–300,809**	–276,781	**–40,991**	–40,374
Other operating income	6	**650**	2,028	**18,200**	18,200
Profit from participations in associated companies	7	**1,893**	1,053	**–**	–
Operating profit/loss	8,9	**427,493**	396,332	**–22,791**	–22,174
Income from participations in Group companies	10	**–**	–	**246,000**	209,000
Interest income		**6,571**	2,113	**607**	1,782
Impairment of securities		**–**	–1,664	**–**	–1,664
Interest expenses		**–10,508**	–12,100	**–793**	–1,057
Profit after net financial items		**423,556**	384,681	**223,023**	185,887
Group contributions received		**–**	–	**37,000**	57,025
Group contributions paid		**–**	–	**–11,037**	–17,016
Tax on net profit for the year	11	**–104,264**	–95,658	**–1,234**	–4,619
Net profit attributable to Parent Company shareholders		**319,292**	289,023	**247,752**	221,277
Other comprehensive income					
Income/expenses recognized directly against shareholders' equity					
Cash-flow hedges after tax		**–4,659**	–6,429	**–**	–
Translation differences		**60,308**	19,678	**–**	–
Total other comprehensive income		**55,649**	13,249	**0**	0
Total comprehensive income pertains in its entirety to items that may be reclassified to profit or loss.					
Total profit attributable to Parent Company shareholders		**374,941**	302,272	**247,752**	221,277
Net earnings per share before and after dilution, SEK	12	**10.60**	9.59	**–**	–
Proposed/adopted dividend per share, SEK		**–**	–	**8.50**	8.00

STATEMENT OF COMPREHENSIVE INCOME AND INCOME STATEMENT

Amount in SEK 000s	Note	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	13	**534,384**	489,791	**–**	–
Other intangible assets	14	**12,203**	14,990	**–**	–
Tangible assets					
Land and land improvements	15	**40,404**	28,778	**–**	–
Buildings	16	**223,224**	185,668	**–**	–
Plant and machinery	17	**443,662**	384,442	**–**	–
Equipment, tools, fixtures and fittings	18	**39,701**	41,183	**1,125**	1,020
Deferred tax assets	29	**25,558**	23,854	**–**	–
Financial assets					
Other long-term receivables		**8,590**	6,410	**–**	–
Other securities	19	**–**	–	**–**	–
Participations in associated companies	20	**19,252**	17,354	**–**	–
Participations in Group companies	21	**–**	–	**532,196**	532,197
Total fixed assets		**1,346,978**	1,192,470	**533,321**	533,217
Current assets					
Inventories	22	**636,481**	541,170	**–**	–
Receivables					
Accounts receivable	23	**500,695**	494,612	**–**	–
Tax assets		**–**	–	**4,108**	3,725
Receivables from Group companies		**–**	–	**322,885**	272,381
Other receivables	24	**33,885**	40,793	**27**	17
Prepaid expenses and accrued income	25	**34,390**	25,217	**904**	1,120
Cash and cash equivalents	26	**191,295**	253,786	**1,372**	41,124
Total current assets		**1,396,746**	1,355,578	**329,296**	318,367
Total assets		**2,743,724**	2,548,048	**862,617**	851,584

Amounts in SEK 000s	Note	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	27				
Share capital		**125,546**	125,546		
Other contributed capital		**444,351**	444,351		
Reserves		**32,866**	–22,783		
Retained earnings, including net profit for the year		**1,141,989**	1,063,746		
Shareholders' equity attributable to Parent Company shareholders		**1,744,752**	1,610,860		
Non-controlling interests		**3,808**	3,596		
Total shareholders' equity		**1,748,560**	1,614,456		
Share capital				**125,546**	125,546
Statutory reserve				**444,351**	444,351
Total restricted equity				**569,897**	569,897
Retained earnings				**19,349**	39,121
Net profit for the year				**247,752**	221,277
Total non-restricted equity				**267,101**	260,398
Total shareholders' equity				**836,998**	830,295
Non-current liabilities					
Provisions	28	**36,047**	65,412		
Deferred tax	29	**46,749**	50,632		
Pension obligations	30	**2,015**	1,881		
Liabilities to credit institutions	31	**229,077**	181,267		
Total non-current liabilities		**313,888**	299,192		
Current liabilities					
Committed credit facilities	31	**86,693**	110,123	**5,969**	–
Liabilities to Group companies		**–**	–	**6,886**	7,739
Accounts payable		**185,246**	185,967	**909**	1,141
Tax liabilities		**20,104**	10,537	–	–
Accrued expenses and deferred income	32	**266,355**	198,029	**11,284**	11,762
Liabilities to credit institutions	31	**65,304**	54,713	–	–
Other current liabilities	33	**57,574**	75,031	**571**	647
Total current liabilities		**681,276**	634,400	**25,619**	21,289
Total shareholders' equity and liabilities		**2,743,724**	2,548,048	**862,617**	851,584
Pledged assets	34	**297,846**	283,997	**13,381**	13,381
Contingent liabilities	35	**6,091**	3,791	–	–

Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. profit	Total	Non-controlling interests	Total shareholders' equity
December 31, 2012	**125,546**	**444,351**	**–36,032**	**985,641**	**1,519,506**	**2,604**	**1,522,110**
Net profit for the year				289,023	289,023		289,023
Other comprehensive income			13,249		13,249		13,249
Dividend paid				–210,918	–210,918		–210,918
Non-controlling interests (translation difference)					–	992	992
December 31, 2013	**125,546**	**444,351**	**–22,783**	**1,063,746**	**1,610,860**	**3,596**	**1,614,456**
Net profit for the year				319,292	319,292		319,292
Other comprehensive income			55,649		55,649		55,649
Dividend paid				–241,049	–241,049		–241,049
Non-controlling interests (translation difference)						212	212
December 31, 2014	**125,546**	**444,351**	**32,866**	**1,141,989**	**1,744,752**	**3,808**	**1,748,560**

Parent Company	Share capital	Statutory reserve	Retained earnings	Net profit for the year	Total shareholders' equity
December 31, 2012	**125,546**	**444,351**	**57,851**	**192,188**	**819,936**
Reclassification of net profit for the preceding year			192,188	–192,188	0
Dividend paid			–210,918		–210,918
Net profit for the year				221,277	221,277
December 31, 2013	**125,546**	**444,351**	**39,121**	**221,277**	**830,295**
Reclassification of net profit for the preceding year			221,277	–221,277	0
Dividend paid			–241,049		–241,049
Net profit for the year				247,752	247,752
December 31, 2014	**125,546**	**444,351**	**19,349**	**247,752**	**836,998**

Proposed dividend of SEK 8.50 per share, totaling 256,114.

Amounts in SEK 000s	Note	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Operating activities					
Operating profit/loss		**427,493**	396,332	**–22,791**	–22,174
Net interest paid and other financial items	36	**–2,656**	–9,858	**220,814**	278,331
Income tax paid		**–99,294**	–79,143	**–5,367**	–239
Items not affecting cash flow	37	**96,845**	87,384	**36**	26
Net cash generated from operating activities before change in working capital and capital expenditures		**422,388**	394,715	**192,692**	255,944
Change in inventories		**–69,065**	–15,338	**–**	–
Change in receivables		**–3,318**	–4,429	**4,415**	4,726
Change in current liabilities		**52,576**	27,306	**–1,639**	–1,374
Cash flow from operating activities		**402,581**	402,254	**195,468**	259,296
Investing activities					
Investments in tangible assets		**–137,521**	–117,338	**–140**	–46
Change in other financial assets		**–3,884**	–7,995	**–**	–
Acquisitions of companies less cash and cash equivalents	38	**–115,165**	–76,884	**–**	–
Cash flow from investing activities		**–256,570**	–202,217	**–140**	–46
Cash flow after capital expenditures		**146,011**	200,037	**195,328**	259,250
Financing activities					
Change in non-current liabilities and committed credit facilities		**32,547**	25,152	**5,969**	–47,227
Dividend paid		**–241,049**	–210,918	**–241,049**	–210,918
Cash flow from financing activities		**–208,502**	–185,766	**–235,080**	–258,145
Change in cash and cash equivalents		**–62,491**	14,271	**–39,752**	1,105
Cash and cash equivalents at beginning of year		**253,786**	239,515	**41,124**	40,019
Cash and cash equivalents at end of year	26	**191,295**	253,786	**1,372**	41,124
Unutilized committed credit facilities		**644,989**	460,991	**269,031**	175,000
Available liquidity		**836,284**	714,777	**270,403**	216,124

All amounts in SEK 000s unless otherwise stated.

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, RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC), as 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
The following standards were applied by the Group for the first time in the financial year commencing January 1, 2014 and had an impact on the consolidated financial statements:

IFRS 10 Consolidated Financial Statements is based on existing principles that define control as a deciding factor in determining whether or not a company should be included in the consolidated financial statements. The standard provides additional guidance on how to determine whether or not an entity is controlled when such an assessment is difficult. The application of the standard had no material impact on the consolidated financial statements.

IFRS 12 Disclosures of Interests in Other Entities stipulates the disclosure requirements for subsidiaries, associated companies and unconsolidated structured entities.

IFRIC 21 Levies provides an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 clarifies the criteria for recognizing a liability. One such criterion is that the company has a present obligation resulting from a past event (also referred to as an obligating event). The interpretation identifies the obligating event for the recognition of a liability to pay a levy as the activity that triggers the payment of the levy in accordance with the relevant legislation. The application of the standard had no material impact on the consolidated financial statements.

New standards, amendments and interpretations of existing standards not applied in advance by the Group
A number of standards and interpretations will take effect in financial years starting after January 1, 2014 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, measuring and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014 and replaces the sections of IAS 39 pertaining to the classification and measurement of financial instruments. IFRS 9 retains a mixed measurement model, but simplifies this model in certain respects. The standard establishes three measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument is classified depends on the entity's business model and the characteristics of the instrument. Investments in equity instruments are to be recognized at fair value through profit or loss, although an option also exists to initially recognize the instrument at fair value through other comprehensive income. No reclassification to profit or loss will occur when the instrument is sold. IFRS 9 also introduces a new model for calculating credit loss reserves based on expected credit losses. For financial liabilities, no changes were made with respect to classification and measurement except in the event that a liability is recognized at fair value through profit or loss based on the fair value alternative. In such cases, changes in value attributable to changes in own credit risk are to be recognized in other comprehensive income.

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

IFRS 15 Revenue from Contracts with Customers regulates how revenue is to be recognized. The principles of IFRS 15 are intended to provide users of financial statements with more usable information about the entity's revenue. The expanded disclosure requirements stipulate that information must be provided regarding the type of revenue, date of settlement, uncertainties associated with revenue recognition and cash flow attributable to the entity's customer contracts. In accordance with IFRS 15, revenue is to be recognized when the customer gains control of the presold 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, 2017. Advance application is permitted. The Group has not yet assessed the impact of the implementation of this standard.

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

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

Assumptions regarding impairment testing of goodwill
The Group tests goodwill for impairment annually in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 13. Forecasts concerning future cash flows are based on the best possible estimates of future income and operating expenses. The impairment tests performed indicated a need for impairment of goodwill of MSEK 26.3. The impairment testing performed was based on a margin with a carrying amount that, according to management's assessment, will not exceed its value in use following the aforementioned impairment as a result of any reasonable changes in individual variables. According to management's assessment, even a certain variation in key variables will not result in an impairment requirement, with the exception of the cash-flow generating unit Norspray, in which reasonable change in assumptions will not result in a significant change in impairment requirements for the Group. Goodwill amounted to MSEK 534.4.

Accounts receivable
Receivables are recognized in a net amount after provisions are made for doubtful accounts receivable, which are assessed on an individual basis. The net value reflects the anticipated collectable 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 500.7.

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.

Provision for agreed additional contingent purchase prices
In conjunction with the completion of corporate acquisitions, provisions were made for the estimated fair value of future additional purchase considerations. These are contingent on the future earnings performance of the acquired units. Forecasts were based on the best possible assessments of future income and operating expenses. Provisions for agreed additional purchase considerations amounted to MSEK 36.2.

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.

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 that 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.

In the event that the Group holds a call option and the seller holds a corresponding call option for the remaining shares, thus entailing that all risks and opportunities are thereby transferred to the Group, the subsidiary is consolidated regardless of the earnings or share of equity attributable to the owner without a controlling influence. Instead, an estimated liability is recognized in an amount corresponding to the estimated purchase consideration for these shares.

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	
	December 31, 2014	December 31, 2013	**2014**	2013
USD	**7.81**	6.57	**6.92**	6.53
EUR	**9.52**	8.99	**9.14**	8.68
GBP	**12.14**	10.76	**11.40**	10.21

Receivables and liabilities in foreign currencies are valued at the closing date rate. Exchange gains and losses that arise in conjunction with the payment of such transactions and in the translation of monetary assets and liabilities in foreign currency are recognized in profit or loss under net revenues or cost of goods sold. Hedging transactions in the form of currency forward agreements pertaining to future flows in foreign currency impact earnings as they are exercised.

Exchange gains and losses pertaining to transactions that comprise hedges and that meet the conditions for hedge accounting of cash flows are recognized in other comprehensive income.

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 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, tax is also recognized in other comprehensive income or shareholders' equipty.

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

Intangible assets

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

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

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

Other intangible assets	5–10 years

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

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

Research and product development

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

According to a strict definition, essentially no research and development is conducted within the Group. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Moreover, these expenses do not add up 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; instead, such assets are tested annually for impairment. For depreciated assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. Impairment is performed per cash-flow generating unit. For assets other than financial assets and goodwill, for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be reversed.

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and fair value (net selling price) on the balance-sheet date. Proprietary finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on production volumes. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective valuation is applied for homogenous 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 non-derivative financial assets with fixed or determinable payments that are not quoted 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 1.

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

Note 1 Employees

Job location	Average number of employees 2014	2013
SWEDEN		
Parent Company		
Uppsala	**2**	2
Stockholm	**4**	3
Subsidiaries		
Broby	**0**	4
Filipstad	**107**	117
Gothenburg	**54**	55
Hallstahammar	**4**	8
Halmstad	**13**	14
Helsingborg	**13**	13
Herrljunga	**52**	49
Karlstad	**17**	16
Lidköping	**3**	3
Ljungby	**21**	14
Ludvika	**0**	1
Luleå	**2**	2
Malmö	**42**	39
Mönsterås	**34**	34
Skellefteå	**4**	4
Stockholm	**92**	93
Strömstad	**0**	1
Tierp	**172**	150
Oxelösund	**0**	2
Värnamo	**49**	47
Växjö	**25**	26
Örebro	**0**	2
Total Sweden	**710**	699

	Men	Women	Total 2014	Men	Women	Total 2013
Total Sweden	**543**	**167**	**710**	530	169	699
OUTSIDE SWEDEN						
Denmark	**52**	**16**	**68**	57	18	75
Finland	**29**	**6**	**35**	30	6	36
France	**4**	**2**	**6**	4	2	6
Hong Kong	**2**	**5**	**7**	3	5	8
China	**158**	**209**	**367**	161	228	389
Latvia	**58**	**49**	**107**	52	47	99
Netherlands	**3**	**2**	**5**	3	4	7
Norway	**19**	**4**	**23**	22	6	28
Poland	**22**	**26**	**48**	19	22	41
Slovakia	**67**	**50**	**117**	62	43	105
Russia	**8**	**4**	**12**	8	3	11
UK	**142**	**47**	**189**	142	48	190
Germany	**319**	**111**	**430**	281	135	416
Total outside Sweden	**883**	**531**	**1,414**	844	567	1,411
Total	**1,426**	**698**	**2,124**	1,374	736	2,110

Of the total of 2,124 employees (2,110), 1,426 (1,374) are men and 698 (736) are women.

Salaries, remuneration and social security contributions

Group

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

	2014	2013
Salaries/fees, President and Board	**34,256**	33,084
of which, variable salary, President and Board	**5,996**	6,330
Social security contributions, President and Board	**18,489**	17,546
of which, pension costs	**7,472**	6,919
Salaries, other	**291,151**	305,011
Social security contributions, other	**114,754**	112,239
of which, pension costs	**23,062**	20,538

Salaries and expenses outside Sweden were expensed as follows:

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

2013 Group	Salary	of which, variable salary	Social security contributions	President/ Board of which, pension costs	Salary	Other Social security contributions
Denmark	4,474	135	340	298	30,293	2,406
Finland	2,836	159	643	377	13,303	2,784
France	–	–	–	–	4,132	2,048
Hong Kong	–	–	–	–	3,140	451
China	706	–	170	–	27,512	7,352
Latvia	1,045	63	252	–	18,049	2,198
Netherlands	–	–	–	–	4,097	469
Norway	2,601	111	790	461	14,517	1,919
Poland	–	–	–	–	7,692	750
Russia	561	71	82	26	1,157	327
Slovakia	321	–	2	–	2,519	77
UK	4,705	356	1,195	656	44,636	3,783
Germany	5,728	130	488	143	134,639	26,039
Total salaries and remuneration	**22,977**	**1,025**	**3,962**	**1,961**	**305,686**	**50,603**
Total salaries and remuneration in Sweden according to the above	**33,084**	**6,330**	**17,546**	**6,919**	**305,011**	**112,239**
Total Group	**56,061**	**7,355**	**21,508**	**8,880**	**610,697**	**162,842**

Parent Company	**2014**	2013
Salaries/fees, President and Board	**11,403**	10,920
of which, variable salary, President and Board	**3,087**	3,027
Social security contributions, President and Board	**5,232**	5,095
of which, pension costs	**2,237**	2,194
Salary, other	**6,599**	5,756
Social security contributions, other	**3,402**	2,967
of which, pension costs	**1,263**	1,096

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 2014 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 2015 are expected to amount to about MSEK 9.

The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is normally permitted to vary between 125 and 155 percent. Should Alecta's collective consolidation level be below 125 percent or above 155 percent, measures are to be taken to create the necessary conditions to ensure the consolidation level returns to the normal interval. In the event of a low consolidation level, one such measure may be to raise the contracted price for taking out new insurance or extending existing benefits. In the event of a high consolidation level, it may be necessary to implement premium reductions. At year-end 2014, the preliminary collective consolidation level was 144 percent (2013:148).

Terms of employment and remuneration to senior executives

Principles

It is proposed that the following principles, which are unchanged compared with the preceding year, be adopted by the 2015 Annual General Meeting. No deviations occurred from these principles.

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. These fees are paid retroactively on an annual basis. The Annual General Meeting also passes resolutions regarding remuneration and terms of employment for members of senior management. No special fees are paid for committee work.

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

Remuneration to the President and members of senior management comprises basic salary, including company car benefits, variable salaries 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 bonus 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 2014

	Directors' fee/basic salary, incl. company car benefits	Variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2014)				
Anders Wall	900			900
Carina Andersson	300			300
Marianne Brismar	300			300
Anders G. Carlberg	300			300
Peter Nilsson	300			300
Anders Ullberg	300			300
Johan Wall	300			300
Senior management (six people)	16,972	6,511	5,927	29,410
of which, President	5,803	3,087	1,801	10,691
Total	**19,672**	**6,511**	**5,927**	**32,110**

Remuneration and benefits in 2013

	Directors' fee/basic salary, incl. company car benefits	Variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2013)				
Anders Wall	900	–	–	900
Carina Andersson	275	–	–	275
Marianne Brismar	275	–	–	275
Anders G. Carlberg	275	–	–	275
Peter Nilsson	275	–	–	275
Anders Ullberg	275	–	–	275
Johan Wall	275	–	–	275
Senior management (six people)	15,844	7,284	4,311	27,439
of which, President	5,389	3,027	1,766	10,182
Total	**18,394**	**7,284**	**4,311**	**29,989**

Marianne Brismar, Peter Nilsson and Anders G. Carlberg invoice their fees through their own companies, plus social security contributions.

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 for four of the five individuals in question. The retirement age is 65 in all cases. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of basic salary, excluding company car benefits.

Note 2 Board of Directors

Anders Wall. Education: Studies at the Stockholm School of Economics. Med Dr h.c., Econ Dr h.c., Consul General. Director since: 1992. Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation and the Consul Th C Bergh Foundation. Director of: Domarbo Skog AB, Hargs Bruk Holding AB, the Anders Wall Professor of Entrepreneurship Foundation, Sturebadet Holding AB and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of Agriculture and Forestry (KSLA). Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest 1964–1981 and Chairman of the Board 1981–1983 (after merger with AB Volvo). President and CEO of Investment AB Beijer 1983–1992. Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Groupe Bruxelles Lambert, Pargesa and others.

Carina Andersson. Eduation: Master of Mining Engineering from the Royal Institute of Technology in Stockholm. Director since: 2011. Director of: 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, Semcon AB and Wollenius Invest 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: Axel Johnson Inc., 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, Organizational Consultant at BSI.

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

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

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

Note 3 Net revenues

SEK 000s	**2014**	2013
Sweden	**858,617**	909,387
Other EU	**1,671,228**	1,497,669
Other Europe	**262,980**	256,685
Asia	**419,086**	332,765
Rest of the world	**86,249**	69,986
Total	**3,298,160**	3,066,492

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

MSEK	**2014**	2013
Germany	**582**	469
UK	**303**	313
China	**297**	248
Norway	**171**	162
Denmark	**139**	135

NOTE 4

Note 4 Segment reporting

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

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

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

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

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

2013	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc.)	Eliminations	Total
Segment income	1,676.3	624.3	765.6	0.3	–0.1	3,066.5
Inter-segment sales	–	–	–	–	–	0.0
Income from external customers	**1,676.3**	**624.3**	**765.6**	**0.3**	**–0.1**	**3,066.5**
Operating profit/loss	331.7	53.2	33.6	–22.2	–	396.3
Interest income	1.1	0.4	0.5	210.8	–210.7	2.1
Interest expenses	–5.5	–4.7	–2.5	–2.7	1.7	–13.7
Profit after net financial items	**327.3**	**48.9**	**31.6**	**185.9**	**–209.0**	**384.7**
Appropriations	–	–	–	40.0	–40.0	0.0
Tax	–80.3	–12.9	–6.6	–4.6	8.8	–95.7
Net profit	**247.0**	**36.0**	**25.0**	**221.3**	**–240.2**	**289.0**
Operating profit/loss includes:						
Depreciation/amortization	59.0	17.9	9.4	0.3	0.1	86.7
Share of profit/loss in associated companies	1.0	–	–	–	–	1.0
Assets	1,404.5	491.7	475.8	849.2	–673.2	2,548.0
Liabilities	557.3	190.7	254.2	18.9	–87.5	933.6
of which, interest-bearing	210.5	75.1	62.9	–	–2.4	346.1
Cash funds (included in assets)	146.7	46.3	22.1	41.1	–2.4	253.8
Net debt	63.8	28.8	40.8	–41.1	–	92.3
Investments in tangible assets	106.2	16.6	3.1	0.4	–	126.3
Sales outside Sweden, %	81.7	93.4	26.7	–	–	70.4

The net income recognized in Note 6 Other income for 2013-2014 is attributable to the segment Beijer Tech.

Assets distributed by geographic region (MSEK)

Group	2014	2013
Sweden	1,266.9	1,421.2
Other EU	973.9	855.2
Other Europe	72.2	53.4
North America	121.2	–
Asia	309.5	218.2
Total	**2,743.7**	2,548.0

Note 5 Administrative expenses

Administrative expenses include the following auditors' fees:

	Group		Parent Company	
	2014	2013	**2014**	2013
PwC				
Audit assignment	**3,981**	3,588	**462**	490
Auditing activities in addition to audit assignment	**1,118**	594	**407**	168
Tax consultancy	**166**	–	**41**	–
Other services	**617**	838	**147**	232
Other auditors				
Audit assignment	**1,833**	1,634	**–**	–
Other assignments	**375**	374	**–**	–
Total	**8,090**	7,028	**1,057**	890

Costs for product development totaling 10,011 (9,191) are included in the Group's administrative expenses. These amounts pertain to product development costs that could not be attributed to specific customer orders.

Note 6 Other income

Group	**2014**	2013
Goodwill impairment	**–26,316**	–43,514
Reversal of provisions [1)]	**27,384**	50,849
Additional purchase consideration paid	**–500**	–4,000
Other	**82**	–1,307
Total	**650**	2,028

[1)] Pertains to a change in the provision for the remaining purchase consideration for Norspray, which is part of the Beijer Tech segment.

Note 7 Profit from participations in associated companies

Group	**2014**	2013
Share of profit from:		
Hanil Precision Co Ltd	**1,893**	1,053
Total	**1,893**	1,053

Note 8 Operating profit

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

Group	**2014**	2013
Plant and machinery	**66,640**	57,338
Equipment, tools, fixtures and fittings	**14,942**	13,232
Buildings	**12,304**	11,020
Land improvements	**326**	232
Other intangible assets	**4,526**	4,849
Total	**98,738**	86,671

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by 36 (26).

Group	**2014**	2013
Costs distributed by type of cost		
Material costs	**1,410,819**	1,310,899
Costs for employee benefits (Note 1)	**868,381**	851,108
Development cost not charged to respective order	**10,011**	9,191
Depreciation, amortization and impairment (Note 8, 13)	**98,738**	86,671
Costs for operational leasing (Note 9)	**49,232**	47,611
Other costs	**430,843**	361,599
Total	**2,868,024**	2,667,079

Note 9 Operational leasing

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

	Group		Parent Company	
	2014	2013	**2014**	2013
Leasing costs for the year	**49,232**	47,611	**2,017**	1,891
Future minimum leasing payments fall due as follows:				
Within one year	**43,004**	42,635	**1,992**	2,121
After more than one year, but within five years	**91,030**	94,634	**4,020**	4,282
After more than five years	**–**	34,500	**–**	–
Total	**134,034**	171,769	**6,012**	6,403

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

Note 10 Income from participations in Group companies

Parent Company	**2014**	2013
Anticipated dividend from		
Beijer Tech AB	**30,000**	30,000
Habia Cable AB	**60,000**	63,000
Lesjöfors AB	**156,000**	116,000
Total	**246,000**	209,000

Note 11 Tax on net profit for the year

	Group		Parent Company	
	2014	2013	**2014**	2013
Current tax for the period	**–102,968**	–97,210	**–1,250**	–4,664
Temporary differences pertaining to:				
– untaxed reserves	**–818**	3,587	**–**	–
– provisions	**–271**	–2,556	**–**	–
Current tax attributable to earlier years	**–207**	534	**16**	45
Total	**–104 264**	–95,645	**–1,234**	–4,619

Difference between tax expense and 22.0 percent tax	Group		Parent Company	
	2014	2013	**2014**	2013
Profit before tax	**423,556**	384,681	**248,986**	225,896
22 percent tax on this amount	**–93,182**	–84,630	**–54,777**	–49,697
Tax for the period	**–104,264**	–95,658	**–1,234**	–4,619
Difference	**–11,082**	–11,028	**53,543**	45,078

Specification of difference	Group		Parent Company	
	2014	2013	**2014**	2013
Effect of:				
– tax attributable to earlier years	**–427**	534	**–**	45
– foreign tax rates	**–4,135**	–3,493	**–**	–
– non-deductible items	**–6,831**	–7,371	**–594**	–965
– non-taxable income	**1,042**	1,968	**54,121**	45,983
Foreign withholding tax	**–**	–2,700	**–**	–
Other	**–731**	34	**16**	15
Total	**–11,082**	–11,028	**53,543**	45,078

The Group's weighted average tax rate was 24.6 percent (24.9).
Cash-flow hedges after tax are recognized in other comprehensive income. Tax revenues of 1,325 pertaining to cash-flow hedges were recognized in 2014 and tax revenues of 1,811 pertaining to cash-flow hedges were recognized in 2013. There are no other tax effects in other comprehensive income.

Note 12 Earnings per share

Group	**2014**	2013
Profit used for calculating earnings per share		
Net profit for the year attributable to Parent Company shareholders	**319,292**	289,023
Number of shares	**30,131,100**	30,131,100

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

Note 13 Goodwill

Group	2014	2013
Opening cost	**547,716**	528,173
Acquisitions [1]	**66,166**	23,313
Reclassification	**–**	–5,689
Translation differences	**4,742**	1,919
Closing accumulated cost	**618,624**	547,716
Opening impairment	**57,925**	14,411
Impairment for the year	**26,315**	43,514
Closing accumulated impairment	**84,240**	57,925
Carrying amount	**534,384**	489,791

[1] Group	2014	2013
Acquisition of Irradose AB	**–**	229
Acquisition of S & P Federnwerk	**–**	16,953
Acquisition of Centrum B	**–**	4,492
Acquisition of PMU Reparation och Smide AB	**–**	1,478
Acquisition of assets and liabilities in Lubritek AB	**–**	161
Acquisition of assets and liabilities in Sandvik Materials Technology's motor spring operations	**66,166**	–
Total	**66,166**	23,313

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

Group	2014	2013
Lesjöfors	**186,182**	119,854
Habia Cable	**53,782**	51,517
Beijer Tech	**294,420**	318,420
Summa	**534,384**	489,791

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

Beijer Tech	2014	2013
Beijer Tech AB	**146,341**	146,341
Lundgrens Sverige AB	**57,034**	57,041
Beijer Industri AB	**3,950**	4,459
Preben Z Jensen A/S	**24,018**	21,698
Norspray AS	**52,162**	77,887
Karlebo Gjuteriteknik AB	**9,358**	9,358
PMU AB	**1,396**	1,478
Beijer A/S	**161**	158
Total	**294,420**	318,420

Impairment tests for goodwill

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

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projections. Established budgets were used for 2015, and values were extrapolated for the coming four years based on a growth rate of approximately 2 percent. Key assumptions include:

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

Forecast gross margins and operating margins have been established by management based on historical outcomes and plans in the approved budgets. For the period after the forecast period, a growth rate of 2 percent has been used. A growth rate of 2 percent was also used in the testing for 2013. The discount rate for 2014 was based on a risk-free interest rate, the market risk premium and a company-specific risk premium. A discount rate of 7.1 percent was used for the companies in Beijer Tech, 7.3 percent for Habia and 7.9 percent for Lesjöfors. These variations were attributable to different risk profiles. In 2013, a discount rate of 10 percent was used for all units.

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

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 future cash flows have been adjusted downward.

The impairment testing of goodwill related to Norspray resulted in a goodwill impairment charge of MSEK 26.3. This testing was performed through a calculation of value in use. A weighted average cost of capital (WACC) of 7.2 percent was used. These assumptions also entail that the future remaining purchase consideration entered as a liability under provisions has been reduced by MSEK 26.4. Since these items basically refer to the same components, they have been recognized under other income as the net of the items is positive.

A sensitivity analysis was also conducted for the holding Norspray, whereby the growth rate was halved and the discount rate was raised by 1 percentage point. This analysis resulted in a further impairment requirement of MSEK 13. It should be noted that the future remaining purchase consideration will likely be reduced in this scenario.

In 2013 and 2014, goodwill items in Beijer Tech were impaired as follows:

Beijer Tech	2014	2013
Preben Z Jensen	**–**	3,000
Svetspunkten	**–**	11,500
Norspray	**26,316**	29,014
Total	**26,316**	43,514

In all cases, the market trend was weaker than previously expected, which meant that the estimated future growth rate was revised downward.

Note 14 Other intangible assets

Group	2014	2013
Opening cost	**32,761**	31,413
Purchases	**1,477**	853
Acquisitions of subsidiaries	**–**	500
Reclassification	**9**	10
Translation differences	**12**	–15
Closing accumulated cost	**34,259**	32,761
Opening amortization	**16,753**	11,894
Reclassification	**–**	–8
Amortization for the year	**4,297**	4,887
Translation differences	**–12**	–20
Closing amortization	**21,038**	16,753
Opening impairment	**1,018**	0
Impairment for the year	**–**	1,018
Closing impairment	**1,018**	1,018
Carrying amount	**12,203**	14,990

These assets comprise remaining customer relations and licenses for software.

Note 15 Land and land improvements

Group	2014	2013
Opening cost	**31,165**	24,230
Purchases	**7,744**	1,147
Acquisitions of subsidiaries	**–**	4,836
Translation differences	**4,217**	952
Closing accumulated cost	**43,126**	31,165
Opening depreciation	**2,327**	1,982
Acquisitions of subsidiaries	**–**	112
Depreciation for the year	**326**	233
Translation difference	**9**	–
Closing accumulated depreciation	**2,662**	2,327
Opening impairment	**60**	60
Impairment for the year	**–**	–
Closing impairment	**60**	60
Carrying amount	**40,404**	28,778

Note 16 Buildings

Group	2014	2013
Opening cost	**339,281**	307,095
Purchases	**43,599**	9,446
Through acquisitions of subsidiaries	**–**	19,051
Translation differences	**8,398**	3,689
Closing accumulated cost	**391,278**	339,281
Opening depreciation	**152,652**	138,139
Acquisitions of subsidiaries	**–**	1,187
Depreciation for the year	**12,241**	11,019
Translation differences	**1,991**	2,307
Closing accumulated depreciation	**166,884**	152,652
Opening impairment	**961**	961
Impairment for the year	**209**	–
Closing accumulated impairment	**1,170**	961
Carrying amount	**223,224**	185,668

Note 17 Plant and machinery

Group	2014	2013
Opening cost	**1,031,725**	887,563
Purchases	**112,444**	106,125
Sales and disposals	**–5,051**	–8,863
Through acquisitions of subsidiaries	**11,753**	44,382
Reclassification	**–6,487**	–7,179
Translation differences	**42,760**	9,697
Closing accumulated cost	**1,187,144**	1,031,725
Opening depreciation	**641,898**	572,277
Sales and disposals	**–4,329**	–8,162
Acquisitions of subsidiaries	**5,107**	23,235
Reclassification	**1,542**	–5,505
Depreciation for the year	**67,377**	56,254
Translation differences	**26,502**	3,799
Closing accumulated depreciation	**738,097**	641,898
Opening impairment	**5,385**	5,385
Impairment for the year	**–**	–
Closing accumulated impairment	**5,385**	5,385
Carrying amount	**443,662**	384,442

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

Group	2014	2013
Cost	**15,152**	14,700
Remaining residual value	**5,128**	6,934

Future minimum leasing payments fall due as follows:

Group	2014	2013
Within one year	**2,263**	2,684
After more than one year, but within five years	**5,394**	5,188
After more than five years	**–**	–
Total	**7,657**	7,802
Future financial expenses for financial leasing	**–394**	–528
Present value of liabilities pertaining to financial leasing	**7,263**	7,274

Present value of financial leasing leasing costs are as follows:

Group	2014	2013
Within one year	**2,085**	2,488
Between one and five years	**5,178**	4,786
Total	**7,263**	7,274

Note 18 Equipment, tools, fixtures and fittings

	Group		Parent Company	
	2014	2013	**2014**	2013
Opening cost	**148,460**	122,707	**2,460**	2,627
Purchases	**16,235**	9,105	**179**	46
Acquisitions of subsidiaries	**256**	11,228	**–**	–
Sales and disposals	**–9,200**	–4,912	**–56**	–213
Reclassification	**–6,534**	6,819	**–**	–
Translation differences	**5,655**	3,513	**–**	–
Closing accumulated cost	**154,872**	148,460	**2,583**	2,460
Opening depreciation	**105,758**	84,252	**1,440**	1,627
Acquisitions of subsidiaries	**–581**	4,443	**–**	–
Sales and disposals	**–8,669**	–3,892	**–18**	–213
Reclassification	**–259**	5,827	**–**	–
Depreciation for the year	**14,865**	13,213	**36**	26
Translation differences	**2,538**	1,915	**–**	–
Closing accumulated depreciation	**113,652**	105,758	**1,458**	1,440
Opening impairment	**1,519**	1,301	**–**	–
Reclassification	**–**	–	**–**	–
Translation differences	**–**	218	**–**	–
Closing accumulated impairment	**1,519**	1,519	**0**	0
Carrying amount	**39,701**	41,183	**1,125**	1,020

Note 19 Other securities

Parent Company	Corp. Reg. No.	Share of equity, %	Registered office	Carrying amount
Innoventus AB	556602-2728	11	Uppsala	0
Innoventus Life Science 1 KB	969677-8530	8	Uppsala	0

	Group		Parent Company	
	2014	2013	**2014**	2013
Opening cost	**30,036**	30,138	**25,037**	25,139
Sales	**–**	–102	**–**	–102
Purchases	**–**	–	**–**	–
Closing accumulated cost	**30,036**	30,036	**25,037**	25,037
Opening impairment	**30,036**	28,372	**25,037**	23,373
Impairment for the year	**–**	1,664	**–**	1,664
Closing accumulated impairment	**30,036**	30,036	**25,037**	25,037
Carrying amount	**0**	0	**0**	0

Note 20 Participations in associated companies

				Carrying amount	
Group	Corp. Reg. No.	Share of equity, %	Registered office	**2014**	2013
Hanil Precision Co Ltd		20	Pusan, South Korea	**19,252**	17,354
Totalt				**19,252**	17,354

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 128 and an operating margin of 4 percent. During the year, Lesjöfors purchased gas springs from Hanil for MSEK 15 (11). These purchases were made on market terms.

Group	**2014**	2013
Opening value	**17,354**	17,106
Share in profit after tax	**1,893**	1,053
Reclassification	**–**	–811
Translation difference	**5**	6
Reversal of impairment loss	**–**	–
Carrying amount	**19,252**	17,354

Group share of December 31, 2014	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	18.5	7.1	–	1.9

Note 21 Participation in Group companies

Parent Company	Corp. Reg. No.	Number	Registered office	Carrying amound	Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad	100,000	972,537 1)
Habia Cable AB	556050-3426	500,000	Täby	95,576	342,553 2)
Beijer Tech AB	556650-8320	50,000	Malmö	333,324	229,032 3)
AIHUK AB	556218-4126	9,000	Uppsala	289	1,196
AB Stafsjö Bruk	556551-9005	1,000	Uppsala	185	179
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala	977	1,525
Beijer Alma Utvecklings AB	556230-9608	145,000	Uppsala	1,847	2,082
Total				**532,198**	

1) Before anticipated dividend to the Parent Company in the amount of 156,000.
2) Before anticipated dividend to the Parent Company in the amount of 60,000.
3) Before anticipated dividend to the Parent Company in the amount of 30,000.

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

Parent Company	**2014**	2013
Opening cost	**526,366**	526,366
Closing cost	**526,366**	526,366
Opening write-ups	**8,218**	8,218
Write-ups for the year	**–**	–
Closing write-ups	**8,218**	8,218
Opening impairment	**2,387**	2,387
Impairment for the year	**–**	–
Closing impairment	**2,387**	2,387
Carrying amount	**532,197**	532,197

Subsidiary shareholdings in Group companies	Corp. Reg. No	Percentage stake	Registered office	Carrying amount
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden	9,532
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden	24,000
Lesjöfors Stockholms 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
Lesjöfors A/S		100	Copenhagen, Denmark	56,603
Lesjöfors A/S		100	Oslo, Norway	53
Oy Lesjöfors AB		100	Åminnefors, Finland	1,000
Lesjöfors Springs Oy		100	Turku, Finland	1,492
Lesjöfors Springs Ltd.		100	Elland, UK	316
Lesjöfors Automotive Ltd.		100	Elland, UK	774
Lesjöfors Springs GmbH		100	Hagen, Germany	44,693
Lesjöfors Springs LV		100	Liepaja, Latvia	992
Lesjöfors Gas Springs LV		70	Liepaja, Latvia	6,764
Lesjöfors China Ltd		100	Changzhou, China	3,070
Lesjöfors Springs Russia		100	Moscow, Russia	6,460
European Springs & Pressings Ltd		100	Beckenham, UK	56,353
Harris Springs Ltd		100	Reading, UK	2,455
Velleuer GmbH & Co. KG		100	Velbert, Germany	44,247
Stumpp + Schüle GmbH		100	Beuren, Germany	65,306
Lesjöfors Deutschland GmbH		100	Velbert, Germany	33,584
Centrum B		100	Myjava, Slovakia	10,755
Lesjöfors Springs America Inc		100	Scranton, US	1*
Habia Benelux BV		100	Breda, Netherlands	1,020
Habia Cable Asia Ltd		100	Hong Kong, China	55
Habia Cable China Ltd		100	Changzhou, China	11,402
Habia Kabel GmbH		100	Düsseldorf, Germany	29,797
Habia Cable Inc.		100	New Jersey, US	0
Habia Kabel Produktions GmbH & Co. KG		100	Norderstedt, Germany	81,295
Habia Cable Ltd.		100	Bristol, UK	3,614
Habia Cable SA		100	Orléans, France	679
Habia Cable Latvia SIA		100	Liepaja, Latvia	0
Habia Cable Sp Zoo		100	Dulole, Poland	7,450
Alma Uppsala AB	556480-0133	100	Uppsala, Sweden	6,354
Daxpen Holding AB	556536-1457	100	Stockholm, Sweden	6,061
BCB Baltic AB	556649-7540	100	Stockholm, Sweden	422
Beijer Industri AB	556031-1549	100	Malmö, Sweden	22,246
Lundgrens Sverige AB	556063-3504	100	Gothenburg, Sweden	51,299
AB Tebeco	556021-1442	100	Halmstad, Sweden	6,538
Beijer AS		100	Drammen, Norway	4,324
Beijer OY		100	Helsinki, Finland	4,092
Preben Z Jensen A/S		100	Hedehusene, Danmark	32,683
Karlebo Gjuteriteknik AB	556342-0651	100	Sollentuna, Sweden	15,033
PMU Reparation & Smide AB	556196-5375	100	Ljungby, Sweden	8,000
Norspray AS		100	Stavanger, Norway	68,166

*At year-end, the carrying amount was USD 1. In January 2015, the company was capitalized and the carrying amount increased to MSEK 32.4.

Note 22 Inventories

Group	2014	2013
Raw materials	**205,824**	168,919
Products in progress	**76,606**	54,119
Finished goods	**354,051**	318,132
Total	**636,481**	541,170

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

Group	2014	2013
Raw materials	**11,207**	6,402
Products in progress	**1,361**	2,855
Finished goods	**29,397**	31,819
Total	**41,965**	41,076

Difference between cost and net selling price:

Group	2014	2013
Raw materials	**8,794**	7,681
Products in progress	**969**	2,659
Finished goods	**14,463**	12,528
Total	**24,226**	22,868

The expenditure for inventories was expensed under the item "Cost of goods sold" and amounted to 1,410,819 (1,310,899).

Note 23 Accounts receivable

Group	2014	2013
Total outstanding accounts receivable	**514,137**	511,169
Provisions for doubtful receivables	**–13,442**	–16,557
Carrying amount	**500,695**	494,612

Group	2014	2013
Past due amounts	**80,818**	105,366
of which, past due by more than 30 days	**20,971**	21,854
of which, past due by more than 90 days	**6,970**	8,692
Provisions for doubtful receivables	**13,442**	16,557

On December 31, 2014, a total of 7,529 in accounts receivable, for which there existed no provision for doubtful receivables, was more than 30 days past due.

Provisions for doubtful receivables

Group	2014	2013
Opening balance	**16,557**	13,553
Provisions for the year	**2,520**	5,066
Reversal of earlier provisions	**–1,415**	–1,593
Write-offs of receivables	**–4,220**	–469
Closing balance	**13,442**	16,557

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 500,695 (494,612). The fair value corresponds with the carrying amount.

Note 24 Other receivables

	Group		Parent Company	
	2014	2013	2014	2013
Value-added tax	**7,571**	8,092	**–**	–
Advance payments to supplier	**10,244**	10,816	**–**	–
Other	**16,070**	21,885	**27**	17
Total	**33,885**	40,793	**27**	17

Note 25 Prepaid expenses and accrued income

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Leasing and rental fees	**7,216**	6,733	**526**	563
Accrued interest income	**–**	806	**–**	–
Prepaid expenses	**11,029**	7,487	**378**	557
Accrued commission	**1,846**	2,922	**–**	–
Other	**14,299**	7,269	**–**	–
Total	**34,390**	25,217	**904**	1,120

Note 26 Cash and cash equivalents

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Cash and bank balances	**191,295**	253,786	**1,372**	41,124
Total	**191,295**	253,786	**1,372**	41,124

Note 27 Shareholders' equity

Group	Translation reserve	Hedging reserve	Total
December 31, 2012	–39,557	3,525	–36,032
Change in value of hedging reserve	–	–8,240	–8,240
Tax thereon	–	1,811	1,811
2012 translation difference	19,678	–	19,678
December 31, 2013	–19,879	–2,904	–22,783
Change in value of hedging reserve	–	–5,984	–5,984
Tax thereon	–	1,325	1,325
2013 translation difference	60,308	–	60,308
December 31, 2014	**40,429**	**–7,563**	**32,866**

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

	Shares		Votes
Class A shares	3,330,000	at 10 votes	33,300,000
Class B shares	26,801,100	at 1 vote	26,801,100
Total	**30,131,100**		**60,101,100**

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

Share capital trend

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

The 2013 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 to any extent.

Note 28 Provisions

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

Acquired company/assets and liabilities	2014	2013
Acquisition of assets and liabilities in VA Industriugnar AB	–	500
Acquisition of assets and liabilities in Svetspunkten AB	–	509
Norspray AS	36,220	64,584
Total	**36,220**	65,593

As of December 31, 2014, only the additional purchase consideration for the acquisition of Norspray remained outstanding. This additional purchase consideration is calculated on the basis of the company's earnings performance until December 31, 2015. The valuation of the provision is based on forecast earnings for 2015.

Provisions	2014	2013
Opening balance	65,594	116,443
Additional purchase consideration paid	–500	–500
Final settlement	–509	–10,312
Remeasurement	–26,384	–40,037
Translation difference	–1,981	–
Closing balance	**36,220**	65,954

Note 29 Deferred tax

Deferred tax assets	2014	2013	
Temporary differences pertaining to:			
– loss carryforwards	20,513	20,784	Recognized in profit or loss
– forward agreements	2,133	817	Recognized in other comprehensiv income
Other	2,912	2,253	Recognized in profit or loss
Total	**25,558**	23,854	

Opening value	23,854	15,706
Acquisitions of subsidiaries	–	6,189
Decreased provision	–271	–
Increased provision	1,975	1,959
Total	**25,558**	23,854

Deferred tax liabilities	2014	2013	
Temporary liabilities pertaining to:			
– untaxed reserves	41,180	45,373	Recognized in profit or loss
– excess depreciation	5,569	5,259	Recognized in profit or loss
Total	**46,749**	50,632	

Opening value	50,632	53,747
Increased provision	310	–
Reversal	–4,193	–3,115
Closing value	**46,749**	50,632

Note 30 Pension obligations

Group	2014	2013
Opening value	1,700	1,678
Decreased provision	–94	–24
Increased provision	236	46
Closing value	**1,842**	1,700

Note 31 Financial instruments

FINANCIAL RISK MANAGEMENT

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

MARKET RISK

Currency risk

Transaction exposure

Lesjöfors and Habia conduct 85 percent and 95 percent, respectively, of their sales outside Sweden, while approximately 50 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 70 percent of sales and the remaining 30 percent is predominantly sold in the other Nordic countries. Its suppliers are often foreign. As a trading company, Beijer Tech has a smaller proportion of personnel costs than the Group's manufacturing companies. Combined, this means that Beijer Tech's expenses exceed its income in foreign currencies, primarily EUR. The company has currency clauses in many of its major customer agreements, which eliminate a substantial portion of Beijer Tech's currency exposure.

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

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

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

2013	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	5.8	111.6	12.3	27.4	109.1	–	–	–	–	–	266.2
Habia Cable	27.8	94.2	–	4.5	25.3	–14.1	2.9	–2.9	9.5	13.2	160.4
Beijer Tech	–3.0	–105.0	18.0	27.0	–23.0	–	–	–	–	–	–86.0
Total	**30.6**	**100.8**	**30.3**	**58.9**	**111.4**	**–14.1**	**2.9**	**–2.9**	**9.5**	**13.2**	**340.6**

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 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.

The following table shows the Group's forward agreements on the balance-sheet date, translated to MSEK. All of the agreements fall due in 2015.

Group	**December 31, 2014**	December 31, 2014
USD	**22.2**	12.0
EUR	**212.4**	213.8
GBP	**76.9**	124.6
NOK	**17.5**	21.4
Total	**329.0**	371.8

IAS 39 has been applied since January 1, 2005. According to Beijer Alma's assessment, all derivative instruments meet the requirements for hedge accounting.

No hedges were ineffective. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. At year-end 2014, there was a deficit in the value of the derivative instruments of MSEK 9.7, which decreased shareholders' equity, after deductions for deferred tax. On December 31, 2013, there was a deficit in the value of the agreements amounting to MSEK 3.7. Consolidated comprehensive income was negatively impacted in an amount of 4,659 (neg: 6,429) 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 two of the "fair value hierarchy" in accordance with IFRS 7.

Sensitivity analysis

Earnings

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

Shareholders' equity

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

Price risk

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

Purchases of direct material amounted to approximately MSEK 1,411 and comprised a large number of various input goods with price trends that varied over time. Although the companies are able in most cases to offset permanent changes in the price of materials, clauses pertaining to such compensation are exceptions.

Interest-rate risk

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

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

	Group		Parent Company	
	2014	2013	**2014**	2013
Non-current liabilities				
Liabilities to credit institutions	**229,077**	181,267	**–**	–
Current liabilities				
Liabilities to credit institutions	**65,304**	54,713	**–**	–
Committed credit facilities	**86,693**	110,123	**5,969**	–
Total interest-bearing liabilities	**381,074**	346,103	**5,969**	0

All amounts are deemed to correspond to fair value.

Liabilities to credit institutions comprise some 20 credits in various currencies and with different terms and conditions. The majority of interest-bearing liabilities are in SEK. The Group's interest-bearing liabilities in EUR correspond to MSEK 92 and in USD to MSEK 45. Other than this, the Group has no interest-bearing liabilities in any single currency corresponding to more than MSEK 10. The interest levels vary between 1.1 percent and 5.5 percent. The average interest rate is approximately 2.4 percent. The average interest rate on the committed credit facilities is about 2.0 percent. A limit fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to a variable interest rate with a fixed-interest term of up to one year.

Sensitivity analysis

At year-end 2014, net debt amounted to MSEK 190 (92). 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 had a marginal impact on earnings.

CREDIT RISK

Credit risk refers to cases in which companies do not receive payment for their receivables from customers. 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 has taken out credit insurance for its Chinese customers. In terms of sales, the Group's risk spread across industries and companies is favorable. Historically, the level of bad debt losses has been low.

LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 191.3 (253.8), 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 cancelled 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, shall amount to not less than two months of invoicing, meaning approximately MSEK 550. The Group's liquidity position at recent year-ends is shown in the table below. Another method of managing this risk is to maintain a strong financial position and favorable profitability, thereby making the company an attractive customer for loans.

	Group		Parent Company	
Available liquidity	**2014**	2013	**2014**	2013
Cash funds	**191,295**	253,786	**1,372**	41,124
Approved credit facilities	**731,682**	571,114	**275,000**	175,000
Unutilized portion of credit facilities	**–86,693**	–110,123	**–5,969**	–
Available liquidity	**836,284**	714,777	**270,403**	216,125

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, 2014			
Borrowings	153,897	228,260	13,148
Liabilities for financial leasing	2,477	5,059	–
Accounts payable and other liabilities	185,246	–	–
Total	**341,620**	**233,319**	**13,148**

Group	Less than 1 year	1 to 5 years	More than 5 years
December 31, 2013			
Borrowings	168,133	183,612	24,683
Liabilities for financial leasing	2,515	4,613	–
Accounts payable and other liabilities	185,967	–	–
Total	**356,615**	**188,225**	**24,683**

At year-end 2014, foreign exchange contracts totaling MSEK 329.0 (371.8) had a maturity period of less than one year.

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, including 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 table below shows the Group's net debt/equity ratio at recent year-ends:

Group	2014	2013
Interest-bearing liabilities	**381,074**	346,103
Cash and cash equivalents	**–191,295**	–253,786
Net debt	**189,779**	92,317
Shareholders' equity	**1,744,752**	1,610,860
Net debt/equity ratio, %	**10.9**	5.7

Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

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

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

December 31, 2013	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	6,410			6,410
Accounts receivable and other receivables	494,612			494,612
Cash and cash equivalents	253,786			253,786
Total	**754,808**	**0**	**0**	**754,808**

December 31, 2013	Derivatives used for hedging purposes	Other financial liablities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		235,980	235,980
Committed credit facilities		110,123	110,123
Derivative instruments (included in the item deferred income)	3,721		3,721
Accounts payable		185,967	185,967
Total	**3,721**	**532,070**	**535,791**

The Parent Company includes cash and cash equivalents amounting to 1,372 (41,124) in the category "Loans and receivables," committed credit facilities totaling 5,969 (0) and accounts payable amounting to 909 (1,141) in the category "Other financial liabilities."

Note 32 Accured expenses and deferred income

	Group		Parent Company	
	2014	2013	**2014**	2013
Accrued personnel costs	**126,770**	114,849	**11,265**	10,924
Accrued interest	**840**	365	**–**	–
Restructuring reserve	**27,704**	–	**–**	–
Accrued bonuses to customers	**48,138**	–	**–**	–
Deferred income	**3,067**	3,861	**–**	10
Derivative instruments	**9,696**	3,721	**–**	–
Other	**50,140**	75,233	**19**	828
Total	**266,355**	198,029	**11,284**	11,762

Note 33 Other current liabilities

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Personnel tax	**17,070**	16,308	**444**	416
Value-added tax	**19,991**	20,748	**131**	231
Customer and supplier bonuses	**–**	13,844	**–**	–
Advance payments from customers	**11,515**	9,506	**–**	–
Other	**8,998**	14,625	**–**	–
Total	**57,574**	75,031	**575**	647

Note 34 Pledged assets

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Floating charges	**177,539**	176,408	**–**	–
Real estate mortgages	**61,624**	59,913	**–**	–
Shares	**47,957**	42,140	**13,381**	13,381
Machinery used in accordance with financial leasing agreements	**10,426**	5,536	**–**	–
Total	**297,846**	283,997	**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 2014	Group 2013	Parent Company 2014	Parent Company 2013
Guarantees	**6,091**	3,791	**–**	–
Total	**6,091**	3,791	**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 2014	Group 2013	Parent Company 2014	Parent Company 2013
Dividend received	**–**	–	**221,000**	277,606
Interest received	**7,377**	2,113	**607**	1,782
Interest paid	**–10,033**	–11,971	**–793**	–1,057
Total	**–2,656**	–9,858	**220,814**	278,331

Note 37 Items not affecting cash flow

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Depreciation/amortization	**98,738**	86,671	**36**	26
Impairment of shares	**–**	1,766	**–**	–
Profit/loss from associated companies	**–1,893**	–1,053	**–**	–
Totalt	**96,845**	87,384	**36**	26

Note 38 Corporate acquisitions

2014

Motor spring operations in Sandvik Materials Technology

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

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

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

Acquisition calculation

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

Net assets comprise:

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

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

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

No acquisition costs were recognized.

2013

PMU Reparation & Smide AB

Beijer Tech acquired 100 percent of the shares in PMU Reparation & Smide AB. The company has 14 employees and revenues of MSEK 18. The company specializes in installation and service for heavy industry. This acquisition enabled Beijer Tech to strengthen its customer offering in heavy industry. The company was consolidated as of January 1, 2013.

Acquisition calculation

Purchase consideration measured at fair value	
(of which, MSEK 2 paid in cash)	MSEK 3.0
Net assets measured at fair value	MSEK 1.9
Cash and cash equivalents	MSEK 0.1
Goodwill	MSEK 1.1

Net assets comprise:

Equipment	MSEK 2.6
Inventories	MSEK 1.2
Accounts receivable	MSEK 2.5
Other receivables	MSEK 1.8
Cash and cash equivalents	MSEK 0.1
Interest-bearing liabilities	MSEK –3.7
Current non-interest-bearing liabilities	MSEK –2.6
Total	**MSEK 1.9**

Goodwill was attributable to synergy effects within Beijer Tech and to inseparable customer relationships. All of the acquired receivables totaling MSEK 4.3 are expected to be received as a result of balance guarantees in the purchase agreement. No acquisition costs were recognized.

Since the acquisition, PMU has contributed MSEK 19.8 to Group invoicing and MSEK 0.2 to operating profit.

S & P Federnwerk GmbH & Co KG

Lesjöfors acquired 100 percent of the German spring manufacturer S & P Federnwerk GmbH & Co KG. The company generates revenues of about MSEK 140, of which the German market accounts for 60 percent and exports for 40 percent. The company's largest customer group is manufacturers of agricultural machinery. S & P has 70 employees.

Acquisition calculation

Purchase consideration measured at fair value	
paid in cash	MSEK 64.6
Net assets measured at fair value	MSEK 51.0
Cash and cash equivalents	MSEK 8.0
Goodwill	MSEK 13.6

Net assets comprise:

Land and buildings	MSEK 19.0
Machinery	MSEK 19.4
Long-term receivables	MSEK 3.0
Inventories	MSEK 8.2
Accounts receivable	MSEK 19.3
Other receivables	MSEK 10.6
Cash and cash equivalents	MSEK 8.0
Interest-bearing liabilities	MSEK –22.4
Current non-interest-bearing liabilities	MSEK –14.1
Total	**MSEK 51.0**

The acquisition analysis identified surpluses of MSEK 4.2 in buildings and MSEK 10.8 in machinery. Deferred tax of MSEK 3.3 was recognized for these surpluses.

Goodwill was attributable to synergy effects within Lesjöfors and to inseparable customer relationships. All of the acquired receivables totaling MSEK 21.2 are expected to be received as a result of balance guarantees in the purchase agreement. No acquisition costs were recognized.

The company was consolidated as of April 2013. Since the acquisition, S & P has contributed MSEK 95 to Group invoicing and MSEK 0.8 to operating profit. The operations relocated to new premises during the autumn, which resulted in additional expenses. For full-year 2013, the company reported invoicing of MSEK 138.2 and operating profit of MSEK 3.4.

Centrum B

Lesjöfors acquired 100 percent of the Slovakian spring manufacturer Centrum B, with a transfer date on June 1, 2013. The company generates revenues of about MSEK 13 and has 25 employees. The company manufactures wire springs and wire strip components for customers in Germany, the Czech Republic and Slovakia.

Acquisition calculation

Purchase consideration measured at fair value	
paid in cash	MSEK 8.6
Net assets measured at fair value	MSEK 4.6
Goodwill	MSEK 4.0

Net assets comprise:

Land and buildings	MSEK 1.9
Machinery	MSEK 4.5
Inventories	MSEK 0.6
Accounts receivable	MSEK 1.6
Interest-bearing liabilities	MSEK –2.4
Current non-interest-bearing liabilities	MSEK –1.6
Summa	**MSEK 4.6**

The acquisition analysis identified surpluses of MSEK 0.4 in buildings and MSEK 1.7 in machinery. Deferred tax of MSEK 0.4 was recognized for these surpluses.

Goodwill was attributable to synergy effects within the Lesjöfors Group and to inseparable customer relationships. Receivables totaling MSEK 1.6 are expected to be received as a result of balance guarantees in the purchase agreement. No acquisition costs were recognized.

Since the acquisition, the company has contributed MSEK 7.2 to invoicing and MSEK 1.1 to operating profit. For full-year 2013, Centrum B reported invoicing of MSEK 10.6 and operating profit of MSEK 1.8.

Beijer Tech conducted two minor acquisitions of assets and liabilities during the year. These acquisitions pertained to assets in Lubritek and Laumb Jenssen. The combined purchase consideration was MSEK 0.7 and goodwill amounted to MSEK 0.7. The acquisitions had a negligible impact on invoicing and profit.

Habia Cable acquired the remaining 51 percent of the shares in Irradose AB during the year. The purchase consideration was MSEK 0.9 and goodwill totaled MSEK 0.2. The acquisition had a negligible impact on invoicing 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 1, 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.

Earnings per share
Earnings per share after tax.

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

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

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

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

Equity ratio
Shareholders' equity in relation to total assets.

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

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

Proportion of risk-bearing capital
Total of shareholders' equity, deferred tax and minority 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 9, 2015.

The balance sheet and income statement will be presented to the Annual General Meeting on March 19, 2015.

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 9, 2015

Beijer Alma AB (publ)

Anders Wall *Chairman of the Board*	Carina Andersson *Director*	Marianne Brismar *Director*	Anders G. Carlberg *Director*
Peter Nilsson *Director*	Anders Ullberg *Director*	Johan Wall *Deputy Chairman*	Bertil Persson *President and CEO*

Our Audit Report was submitted on February 9, 2015

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

To the annual meeting of the shareholders of Beijer Alma AB (publ.), Corporate Registration Number 556229-7480

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Beijer Alma AB (publ.) for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 42 –76.

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance report has been prepared. The statutory administration report and the corporate governance report are consistent with the other parts of the annual accounts and consolidated accounts.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Beijer Alma AB (publ.) for the year 2014.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE PRESIDENT

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINIONS

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

Uppsala, February 9, 2015

Öhrlings PricewaterhouseCoopers AB

Leornard Daun
Authorized Public Accountant




BOARD

Anders Wall, born 1931
Chairman
Director since: 1992
Holding through companies and family: 3,513,120, of which 1,921,600 Class A shares. Additional holdings in affiliated foundations: 774,200 Class A shares and 3,283,270 Class B shares.
Education: Studies at the Stockholm School of Economics. Med Dr h.c., Econ Dr h.c., Consul General.
Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, the Consul Th. C. Bergh Foundation.
Director of: Domarbo Skog AB, Hargs Bruk Holding AB, the Anders Wall Professor of Entrepreneurship Foundation, Sturebadet Holding AB and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of Agriculture and Forestry (KSLA).
Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest 1964–1981 and Chairman of the Board 1981–1983 (after merger with AB Volvo). President and CEO of Investment AB Beijer Alma 1983–1992.
Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Groupe Bruxelles Lambert, Pargesa and others.

Carina Andersson, born 1964
Director since: 2011
Holding through companies and family: 2,000
Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm.
Director of: SinterCast AB and Gränges AB.
Earlier positions: Sandvik Materials Technology AB, President of Ramnäs Bruk AB and Scana Ramnäs AB.
Has lived 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, Semcon AB and Wollenius Invest 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: Axel Johnson Inc., Sapa 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.




Anders Ullberg, born 1946
Director since: 2007
Holding: 15,000
Education: Master of Business Administration from the Stockholm School of Economics.
Chairman of: Boliden, BE Group, Eneqvist Consulting, Natur & Kultur and Studsvik.
Director of: Atlas Copco, Norex International, Valedo Partners and Åkers. Chairman of the Swedish Financial Reporting Board.
Earlier positions: President and CEO of SSAB, Vice President and CFO of SSAB, CFO of Svenska Varv.

Johan Wall, born 1964
Deputy Chairman
Deputy Director: 1997–2000
Director since: 2000
Holding: 3,000
Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in the US. President of Beijerinvest AB.
Director of: The Crafoordska Foundation, the Kjell & Märta Beijers Foundation, the Anders Wall Foundation, Uppsala University and others.
Earlier positions: President of Bisnode AB, Enea AB, Framfab AB and Netsolutions AB.

Bertil Persson, born 1961
President and CEO of Beijer Alma AB
Deputy Director: 2000–2001 and since 2002
Director: 2001–2002
Holding: 23,000
Education: Master of Business Administration from the Stockholm School of Economics.
Earlier positions: Head of Treasury at Investor AB, Director of Finance at Scania AB and Executive Vice President of LGP Telecom AB.

SENIOR EXECUTIVES

Bertil Persson, born 1961
Master of Business Administration, President and CEO
Employee since: 2000.
Holding: 23,000

Jan Blomén, born 1955
Master of Business Administration, CFO
Employee since: 1986.
Holding with family: 47,600

Jan Olsson, born 1956
Master of Business Administration, Group Controller.
Employee since: 1993
Holding: 2,000

AUDITORS

Auditing firm Öhrlings PricewaterhouseCoopers AB

Chief Auditor
Leonard Daun, born *1964*
Authorized Public Accountant
Auditor for Beijer Alma AB since 2013

Beijer Alma invites all shareholders to participate in the Annual General Meeting, which will take place on Thursday, March 19, 2015, 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 Friday, March 13, 2015.
- notify the company of their intent to participate in the Meeting not later than Friday, March 13, 2015, 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 Friday, March 13, 2015, 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 Wednesday, March 18, 2014. Shareholders who have not received their entry cards prior to the Annual General Meeting may obtain a new entry card from the information desk upon presentation of identification.

Dividend

The proposed record date for the right to receive dividends is Monday, March 23, 2015. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid through Euroclear Sweden commencing Thursday, March 26, 2015. The Board of Directors proposes that the Annual General Meeting approve an ordinary dividend of SEK 8.50 per share (8.00).

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).

2015	
March 19	Annual General Meeting
April 29	Interim report January 1–March 31
August 18	Interim report April 1–June 30
October 23	Interim report July 1–September 30

2016	
February	Year-end report
April 5	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, tel. +46 18 15 71 60 or via beijeralma.se.

Contact

Bertil Persson

President and CEO: +46 8 506 427 50
e-mail bertil.persson@beijeralma.se

Jan Blomén

CFO: +46 18 15 71 60
e-mail jan.blomen@beijeralma.se

Addresses

BEIJER ALMA AB

Dragarbrunnsgatan 45
Forumgallerian
Box 1747
SE-751 47 UPPSALA
Sweden
Telephone +46 18 15 71 60
Fax +46 18 15 89 87
E-mail info@beijeralma.se
firstname.lastname@beijeralma.se
beijeralma.se

Strandvägen 5A, 5 tr
Box 7823
SE-103 97 STOCKHOLM
Sweden
Telephone +46 8 506 427 50
Fax +46 8 506 427 77

LESJÖFORS AB

Headquarters
Köpmannagatan 2
SE-652 26 KARLSTAD
Sweden
Telephone +46 54 13 77 50
Fax +46 54 21 08 10
E-mail info@lesjoforsab.com
lesjoforsab.com

HABIA CABLE AB

Headquarters
Kanalvägen 18, 6 tr
Box 5076
SE-194 05 UPPLANDS VÄSBY
Sweden
Telephone +46 8 630 74 40
Fax +46 8 630 74 81
E-mail info@habia.com
habia.com

BEIJER TECH AB

Headquarters
Stortorget 8
SE-211 34 MALMÖ
Sweden
Telephone +46 40 35 83 80
E-mail info@beijertech.se
beijertech.se

Content

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> 2014 was the second best year in the history of Beijer Alma. One important explanation for this was that the strength of our business model was reconfirmed – a model based on a number of well-diversified operations, each delivering high customer value.
>
> *Bertil Persson*
> President and CEO

BEIJER • ALMA

Beijer Alma AB (publ)
Corp. Reg. No. 556229-7480
Forumgallerian, Dragarbrunnsgatan 45
Box 1747, SE-751 47 Uppsala, Sweden
Telephone +46 18 15 71 60
Fax +46 18 15 89 87
E-mail info@beijeralma.se
beijeralma.se