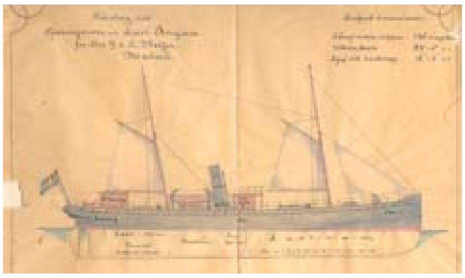
Beijer Ref

Annual Report
2015

150 years in business

150 years in business

1866 Gottfried Beijer returns to Malmö after many years' work in trading companies in Hamburg and London. He establishes a company for exporting grain to England and importing coke, coal and pig iron into Sweden with the returning ships. His brother Lorens joins the operation, which is named G. & L. Beijer, shortly afterwards.



1877 The brothers Beijer establish the shipping company, Sydsvenska Ångfartygs AB, in order to take over the freight of their goods themselves. At the beginning of 1878, the brothers advertise under their own joint company name 'G. & L. Beijer' for the first time in Sydsvenska Dagbladet and the company's two newly-built steamships 'Alexandra' and 'Patriot', start to operate a shuttle service between Newcastle and Malmö and between Landskrona and Helsingborg.

1892 England bans the import of live cattle, which leads to the brothers Beijer closing down the shipping operation and selling their ships. Instead, the focus is transferred to the import of coal and coke as well as heavier industrial products such as sheet metal, tubes, machinery and railway tracks. The following year, a branch is established in Stockholm where the brothers' younger half-brother, Waldemar Beijer, becomes the manager.

1866 **1877** **1892**

1901 Gottfried Beijer dies and, after a schism between the brothers Lorens and Waldemar, the two Beijer companies in Malmö and Stockholm are separated in 1904 and from here on will go their separate ways (although their paths do cross again in the future).

1910 Lorens Beijer dies and, as none of the brothers has had any sons, the family Hain takes over the helm. The Hain family ties to the Beijer family are forged via the marriage between Folke Hain and Charlotte Beijer (a sister of the two Beijer brothers) and via their son, Erskine Hain, and his marriage to his cousin Anna Beijer, daughter of Gottfried.

1914 The brothers Erskine and Richard Hain take over as president and vice president of G. & L. Beijer respectively. Soon thereafter, the First World War breaks out which is the beginning of a crisis that will threaten the company's existence. As from 1916, the import of coal from England and Germany is stifled and, with falling coal prices the operation begins to lose money after the war.

1901 **1910** **1914**

1939 Beijer is split into five divisions for different business areas: coal, iron, bunkers and by-products, and the steamship and forwarding division. During the first decades of the 20th century, Beijer's imports of coal increased from 3,000 tonnes at the turn of the century to 2.3 million tonnes at the end of the 30s. However, the Second World War stifles the import of coal and pig iron, which forces new business concepts to emerge. Beijer now changes over to trading with timber and building materials, machinery and tool exports, and to warehousing in its own warehouses.

1950 Mining engineer Charles Werner – married to Richard Hain's daughter Brita – joins Beijer and a significant expansion within foundries and steelworks in initiated. Beijer links up with collaboration partners and agencies for machinery, plant and necessities for foundries and steelworks. The concept is to sell both products and expert knowhow within the sector.

1953 Oil is about to replace coal as the primary source of energy and, in this year alone, coal imports into Sweden fall by 23 per cent. Beijer has gradually started to change over to oil trading through an agreement with the consumer cooperative OK (Oljekonsumenternas förbund).

1959 The year sees a succession of generations in its management. Erskine Hain dies in 1959 and is replaced as President by his brother Richard, who two years later becomes Chairman of the Board whilst his son John Hain takes over as President.

1966 G. & L. Beijer AB celebrates its centenary as supplier to Swedish industry. Imports of sources of energy such as coal and, increasingly, oil constitute the base, supplemented with the foundry and steelworks operation that has been built up after the Second World War.

1939 **1950** **1953** **1959-1966**

1968 G. & L. Beijer's Stockholm branch, which has been a separate company since 1904 and has operated under the name AB Kol & Koks for many years, changes its name to Beijer-invest in 1967. The paths of the two Beijer companies cross again when G. & L. Beijer together with Beijer-invest take a stake as 50 per cent owners in the oil trading company, STC (Scandinavian Trading Company).

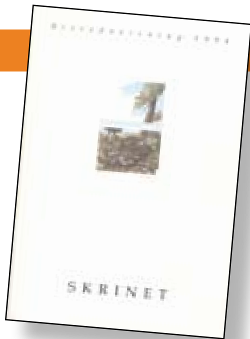
1980 G. & L. Beijer decides to update its operation by taking a step into the growing electronics sector. The subsidiary, Malmö Bunkerstation, is transformed into Beijer Data AB and an IBM System/38 computer is acquired for SEK 1,667,000 . In the following year, Beijer Electronics is established as a new division for the development of microcomputer software for industrial control and monitoring systems as well as for the sales of the Japanese electronics company's, Mitsubishi Electric, programmable control systems.

1981 All oil operations are consolidated in the new company, Beijer Olje AB, which also wins the agency for the French lubricating oil company's, Elf, products in Sweden.

1987 Beijer consolidates its venture within the electronics world by selling the computer consulting operation – consolidated in the sub-group, Beijer Information Group - to WM-data. Beijer Electronics' operation with its programmable control and monitoring systems is retained in a subsidiary of the company.

1968 | **1980** | **1981** | **1987**

1992 G. & L. Beijer is reconstructed when the industrial trading group, Skrinet, with companies such as Kylma, AWA-Patent and DPnova, acquires 62 per cent of the shares in a transaction which makes John Hain and his son Jan the principal owners. At the same time, the foundation is laid for the current refrigeration group. For a few years, G. & L. Beijer becomes a partly-owned subsidiary of Skrinet.

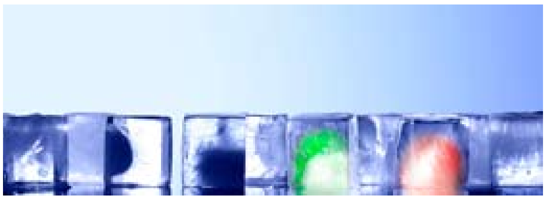


1994 G. & L. Beijer becomes a wholly-owned company of Skrinet, which embarks on a consolidation of the operation into wholly-owned subsidiaries within industry, refrigeration and automation. Beijer Olja, AWA-Patent AB, the holding in Matteus Fondkommission and the remainder of the share portfolio are sold. In the following year, Skrinet changes its name to G. & L. Beijer.

1998 Beijer is split into three business areas - Automation, Refrigeration and Industry. Through the acquisition of the Danish group of companies, H Jessen Jürgensen, BKF-Klima, Armadan and TT-Coil, Beijer Kyla doubles in size and now takes the position as one of the leading refrigeration wholesalers in Europe and as a manufacturer of heat exchangers.

1992 | **1994** | **1998**

2000 Beijer Electronics is quoted on the O-list of the Stockholm Stock Exchange and, therefore, becomes an independent company. Remaining in G. & L. Beijer are now two business areas: Refrigeration and Industrial Technology.



2004 Beijer Kyla changes its name to Beijer Ref and acquires Elsmark Holding with operations in six countries in Europe, the Danish refrigeration wholesaler, Air-Con and the remaining 49 percent if the Hungarian refrigeration wholesaler, Equinoxe. From having been a leading wholesaler in the Nordic countries, the business area is now being developed to become the largest refrigeration wholesaler in Europe.

2007-2009 The Beijer Industrial Technology business area changes its name to Beijer Tech. After a series of acquisitions in Sweden, Holland, Denmark, Hungary, Switzerland, the Czech Republic and Slovakia, G. & L. Beijer makes its largest transaction so far with the American company, Carrier Corporation. As a result, the business area gets a distribution operation within refrigeration and air conditioning in seven countries in Europe as well as a distribution operation and manufacturing in South Africa.

2000 | **2004** | **2007-2009**

2010 The Beijer Tech business area is sold to Beijer Alma and, 18 years after the Skrinet transaction, G. & L. Beijer is now a consolidated refrigeration wholesaler.

2014 G. & L. Beijer changes its name to Beijer Ref. The Italian company, SCM Frigo, is acquired and Beijer Ref strengthens its important position for the future design, development and manufacturing of eco-friendly chillers.

2016 150 years after Gottfried and Lorens Beijer start their operation, their surname has become synonymous with one of the world's leading refrigeration groups which, after a series of acquisitions in countries including Australia and New Zealand, is now the predominant operator in Europe and has a growing operation in Southern Africa, Asia and Oceania. The world has changed, but the entrepreneurial spirit and the ability to see opportunities across all national borders is the same.

2010 | **2014** | **2016**

Beijer Ref
in short

Beijer Ref, one of the largest refrigeration wholesalers in the world

Beijer Ref is a technology-oriented trading and manufacturing Group which, through added-value products, offers its customers competitive solutions within refrigeration and air conditioning.

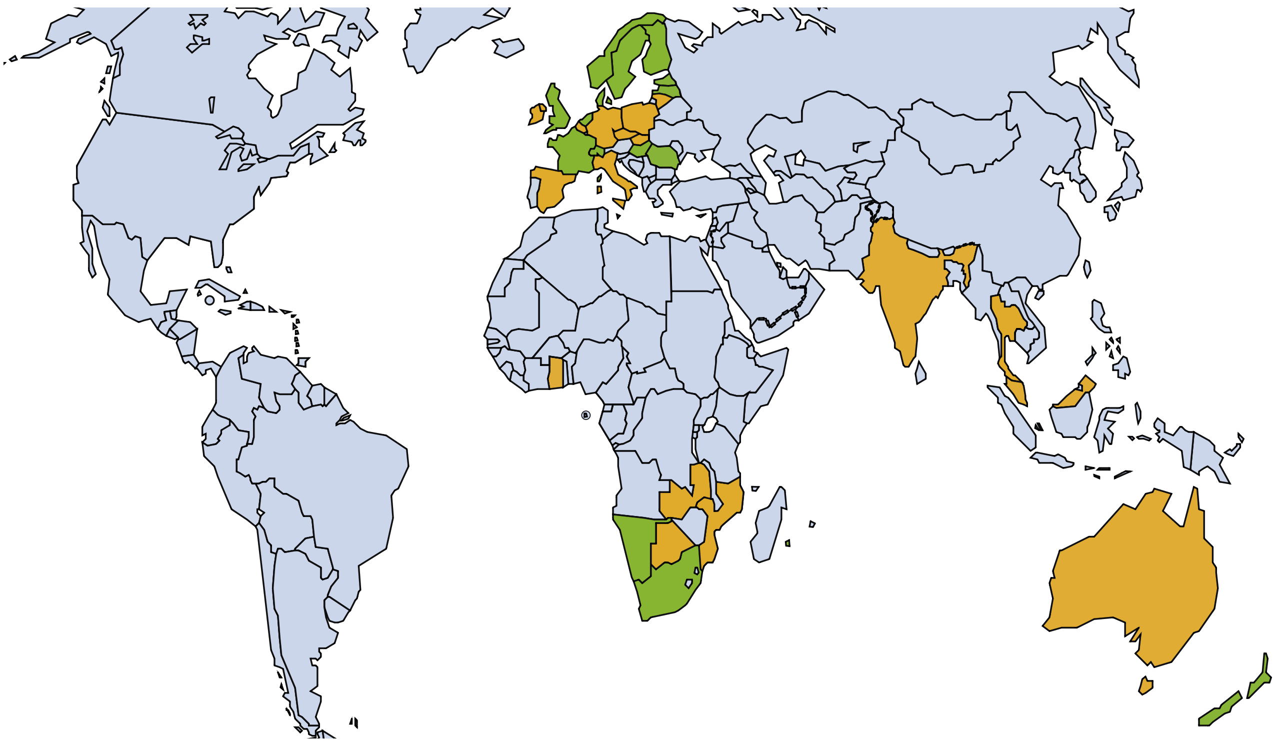
Beijer Ref is a world-leading refrigeration wholesaler with around 330 branches in 32 countries, 1,200 suppliers, 100,000 products and 60,000 customers.

Map showing:
Green = countries in which Beijer Ref is the market leader
Orange = Beijer Ref is one of the five largest operators, India excepted

Significant events in 2015

- In January, Beijer Ref signed an agreement with Carrier International Corporation, the world-leading American refrigeration group. The agreement gives Beijer Ref the exclusive right to distribute Carrier's DX product series within the comfort-cooling segment and to all pertaining service of these products in Europe.

  In February, Beijer Ref acquired all the shares in the refrigeration wholesale company, RNA Engineering & Trading, which has its head office in Kuala Lumpur, Malaysia. The company reports sales of approximately SEK 45M. It is the leading refrigeration wholesaler in the Malaysian market for commercial refrigeration, estimated to be worth nearly SEK 480M with stable growth of around ten per cent per annum.
- In March, Beijer Ref acquired all the shares in the refrigeration wholesale company, Patton, which has its head office in Auckland, New Zealand, and operations in New Zealand, Australia, India and Thailand. Patton was founded in 1923 and reports



Beijer Ref AB is a public limited liability company with corporate identity number 556040-8113. The company has its registered office in Malmö, Sweden. All amounts are expressed in Swedish kronor with the abbreviation 'SEK K' for thousand kronor and 'SEK M' for million kronor. Figures in brackets refer to 2014 unless otherwise stated. Data about markets and the competitive situation are Beijer Ref's own assessments if no other source is specified. This report contains future-oriented information based on Beijer Ref's analysis and assessments made at the beginning of 2016. Although the company's management is of the opinion that the anticipations evident from such future-oriented information are reasonable, no guarantee can be given that these anticipations will be proved to be correct. The company's Directors' Report comprises pages 22-23 and 35-63.

This Annual Report is published on the company's website (beijerref.com). Printed copies will be sent on request to shareholders and other interested parties by Beijer Ref. A complete list of addresses over the Group's companies is available on www.beijerref.com.

2015 in short

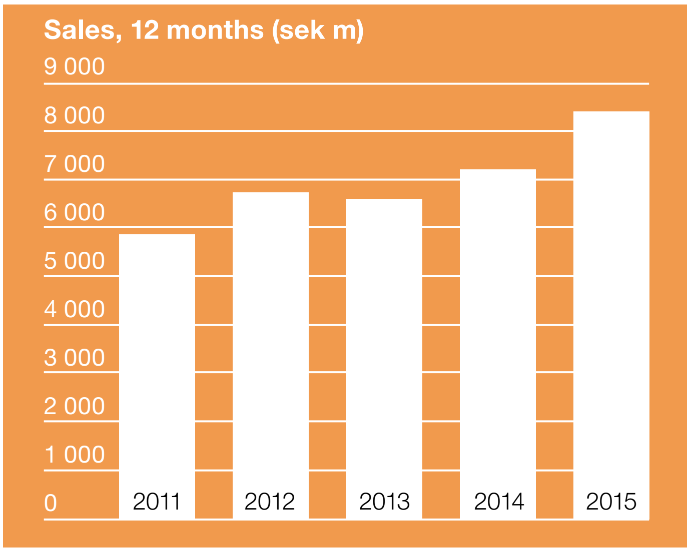
sales of approximately SEK 400M. It is the leading refrigeration wholesaler in New Zealand, with some sales of products manufactured by the company itself. The acquisition gives Beijer Ref a foothold in the important New Zealand, Australian and Indian markets and, at the same time, strengthens the existing operation in Thailand.

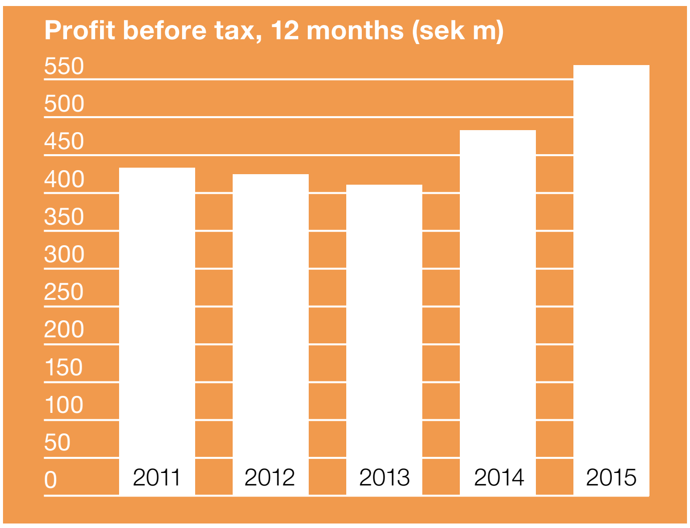
- In May, Beijer Ref expanded its OEM division through the formation of the company SCM Ref France which, with its registered office in Lyon, will focus on the development of an assembly operation for Beijer Ref's subsidiaries in Southern Europe. The Group transfers its collective refrigeration competence to a growing portfolio with products manufactured by the company itself, which has its origin in our Italian company, SCM Frigo. In Sweden, the manufacturing company, SCM Ref Sweden, already exists.
- In June, Beijer Ref Poland signed its first order for carbon dioxide-based refrigeration systems, which is a step forward in the Group's ambition to contribute to eco-friendly refrigeration technology in Europe.
- In July, Beijer Ref acquired the refrigeration wholesale company, Realcold, which has its head office in Auckland, New Zealand, and around 20 branches in New Zealand and Australia.
- In October, Beijer Ref continued to develop its operation in Africa by establishing an operation in Ghana.
- In October, Beijer Ref also signed the first order for carbon dioxide-based refrigeration systems manufactured by the Group itself through its subsidiary, Patton, in New Zealand. The refrigeration installation is manufactured in accordance with modern refrigeration technology by Beijer Ref's Italian company, SCM Frigo, for installation in a leading food chain in New Zealand.
- In November, Beijer Ref signed an agreement to acquire the remaining 56 per cent of the shares in the refrigeration wholesale company, HRP Ltd, which has 15 branches in the United Kingdom. Beijer Ref has previously owned 44 per cent of HRP since its acquisition of Carrier Corporation's refrigeration wholesale operation in Europe and South Africa in 2009. As a result, Beijer Ref will strengthen its position in Europe and, with HRP as a complement to the Group's existing UK refrigeration wholesalers, Dean & Wood and RW Refrigeration, consolidate its position as the market leader in the United Kingdom. The acquisition will be completed during 2016.
- In December, Beijer Ref acquired the remaining 40 per cent of the shares in the Thai company, PattonAero, which manufactures chillers, evaporators and condensers. The acquisition of Patton in March 2015 included an ownership of 60 per cent and, with a wholly-owned manufacturing company, the opportunity also increases for Beijer Ref's OEM division to develop eco-friendly refrigeration technology in Asia.

Key figures	2015	2014	2013
Sales, SEK M	8 360.6	7 189.0	6 595.3
Operating profit, SEK M	567.1	481.4	411.9
Profit after tax, SEK M	373.1	324.5	269.2
Profit per share, SEK	8.64	7.46	6.10
Dividend per share, SEK	5.25*	5.00	4.75

*In accordance with the Board of Directors' proposal

The table and diagrams refers to the remaining operation and is adjusted for one-time items which occurred in 2013.





stable growth
in line with the plan

2015 was a successful year for Beijer Ref. We continued our acquisition strategy whilst we enjoyed stable organic growth. We expanded the Group into new geographic markets and strengthened our position as the leading operator in Europe. Our sales increased by more than 16 per cent, of which organic growth accounted for four per cent. The operating profit increased by 18 per cent.

Per Bertland
CEO Beijer Ref AB

A significant event during the year was the expansion in the southern hemisphere through the acquisitions of Patton and Realcold. It gave us a foothold in the important Australian, Indian and New Zealand markets and strengthened our presence in Thailand. Our sales have traditionally been strongest during the second and third quarters when the weather is at its warmest in Europe. A strengthened presence in the southern hemisphere enables more even sales over the year.

At the end of 2015, we were commissioned to deliver an eco-friendly carbon-dioxide based refrigeration system to one of the largest food chains in New Zealand. The installation will be manufactured by our Italian subsidiary, SCM Frigo, and delivered to the installation contractor by Patton. For me, it is proof that our ongoing integration work with the acquired companies is already generating results and enables the Group to sell world-leading eco-friendly technology in spite of large geographic distances.

Another significant event during the year was the agreement for the acquisition of the remaining 56 per cent of the shares in HRP in the United Kingdom. HRP has had profitability problems in recent years, but we see significant opportunities for turning the trend around through co-ordination with the Group's other operations in the United Kingdom. We will see cost and purchasing synergies, partly by implementing a comprehensive logistics network in the UK market.

Additional acquisitions were made in Malaysia through the acquisition of RNA and, at the end of the year, we acquired the remaining shares in the Thai manufacturing company, PattonAero. Taken together, it gives us a wholly-owned platform for development of the markets in Asia and Oceania. All the acquisitions made during the year are clearly in line with our growth strategy, i.e. to make acquisitions in existing markets and to expand in geographic markets outside Europe.

Positive trend in many markets

During the year, we enjoyed stable organic growth in five of our six geographic segments. The development in our largest segment, Southern Europe, was exceptionally good with double-figure organic growth in large markets such as France, Italy and Spain. Our assessment is that the economies in this region have started to gain speed after a few weaker years. However, behind the sales increase is primarily the heatwave in the region during the summer and the beginning of the autumn.

In Eastern Europe, the development was positive in nearly all countries. Poland reported a weaker than anticipated trend, but we saw positive signs during the end of the year. A strategically important event in the Polish market was the first order for an eco-friendly carbon-dioxide based refrigeration system.

In Central Europe, we enjoyed a strong development in Germany in spite of tough competition. In the United Kingdom, we are experiencing a reduction in investment made by the large retail chains. However, we judge that co-ordination gains after the integration of HRP will give us a stable development in the future. The Netherlands showed a stable development whereas Switzerland was characterised by a weaker market and increasing competition, both within the country and from adjacent markets.

In the Nordic Countries, the market continues to develop well. We benefit from the tough environmental demands in the Nordic countries, which drive the interest in our eco-friendly refrigeration technology. In Norway, we have enjoyed some good years for offshore solutions and the integration of Børresen, which we acquired in 2014, has turned out well. The offshore segment may be facing harder times, but we are of the opinion that Norway will continue to have a positive development as far as we are concerned. We also see that our expanded OEM offer has been positive for the entire Nordic market, where demand for finished modules is increasing.

Africa showed fine growth and we will continue our strategy to expand with Johannesburg as the base. During the year, Ghana was added as a new market. Our new geographic segment, Oceania, as yet lacks comparative figures, but the development is in line with the plan.

Beijer Ref operates in a mature market which is fundamentally controlled by demand within the retail trade segment. It generates stable sales which, among other things, are positively influenced by increased environmental demands and improved living standards. We see that, in most cases, our organic growth lies a few percentage points above GDP for the respective country, which points to a potential in the market.

Environmental demands which provide opportunities

Probably the most important external factor for our future expansion is the new rules for fluoride-based greenhouse gases (the F-gas ordinance) within the EU. It will lead to the gradual replacement or refurbishment of existing refrigeration installations in Europe over the next ten years. We believe that this involves the biggest ever change-over ever for the refrigeration sector.

Beijer Ref stands strongly equipped for this development through our experience in the Nordic markets where the change-over has advanced the farthest. Together with our strengthened OEM offer, this provides clear competitive advantages in Europe and also a valuable experience and knowhow edge in the global market. Our assessment is that the rules and regulations in other markets globally will follow the European market, with a few years' delay.

One of several examples of Beijer Ref's ability to develop new technology is TripleAqua. It is an energy-efficient climate system developed by our subsidiaries, Uniechemie and Coolmark, and which we are now preparing for distribution in Europe and in other markets. TripleAqua uses propane and advanced control systems and can reduce energy consumption in a building by more than 50 per cent.

OEM venture strengthened

The change-over to new eco-friendly and energy-efficient solutions was the reason for our acquisition of the remaining shares in SCM Frigo in 2014. During 2015, the integration work has continued, partly through the establishment of the companies, SCM Ref France in Lyon and SCM Ref Sverige in Vislanda. Our OEM division now consists of manufacturing companies in Italy, France and Sweden and we plan to expand further during 2016.

Own product development and manufacturing of chillers will become an increasingly important part of the Group's operation. The ambition is to offer our customers competitive solutions in the form of individual standard product development as well as customised overall concepts. The venture has its foundation in our assessment that the demand for finished modules will increase in the long term.

Focus on efficiency and corporate governance

In parallel with our aggressive market and product efforts, we continue to sharpen our operational efficiency. A large part of that work deals with rationalising our purchases and optimising our logistics flows. We see that this will have positive effects for results and capital tied up in the long term.

As the Group grows, the need for corporate governance also increases. We have implemented a clear code of conduct for the Group and have also established a whistle-blower system that will help us discover unsatisfactory states of affairs, if any. They are important components in an organisation with extensive geographic spread. The work on more in-depth corporate governance will continue over the next few years.

Important collaborations with Carrier and Toshiba

At the beginning of the year, we signed an exclusive distribution agreement with Carrier for the sales and service of the Carrier DX comfort-cooling products in most EU countries. This is yet another example of the advantage of Carrier's joint ownership in Beijer Ref which has become a very successful collaboration during the year. Carrier, together with Toshiba and Mitsubishi Heavy Industries, are three strategic brands for us within air conditioning.
For Beijer Ref, it is important to have a product portfolio which is comprehensive for our customers and which has a good distribution between own manufacturing and products with strong brands. Toshiba's launch of new products during the autumn was, therefore, an important addition to the product portfolio. Our collaboration with Toshiba continues to be very favourable for both parties. Beijer Ref currently has the sole right for the distribution of Toshiba's air-conditioning units, heat pumps and ventilation systems in eleven markets in Europe. Our close relationship also gives us opportunities to influence the product range and the development of new products.

Well equipped for 2016

When I summarise 2015, I look back on a good year. The geographic expansion, our work with the OEM venture and the current work with our operational efficiency have not been possible without our incredibly committed and professional staff. I would like to thank old and new staff within Beijer Ref for all your hard work during the year and for all the great ideas which have been converted into good solutions for our customers. I would also thank our shareholders and the Board of Directors for their dedicated work during the year.

During 2016, Beijer Ref will celebrate its 150th anniversary. The foundation in our operation remains since the start – we are, and will be, a trading group. At the same time, we are moving from raw materials and simple consumables to more complex systems and we are moving from the Nordic countries and out into the world. The fact is that the majority of Beijer Ref's technical and geographic expansion has taken place in the past ten years.

We now stand well equipped for 2016 which I think will be just as exciting as 2015. We expect to continue our geographic expansion and to expand our product portfolio with new eco-friendly and energy-efficient offers. In this way, Beijer Ref will strengthen still further its position as a global operator in a growing market.

the beijer share 2015

Nasdaq OMX Stockholm rose in 2015 in spite of a turbulent year characterised by a significant rise during spring, followed by, among other things, a negative development in China, zero interest rates and falling raw material prices.

At the year-end, the Nasdaq OMX Stockholm had risen by 5.7 percent (11.9) since the start of the year. The price paid for the Beijer Ref B share rose 57.3 per cent (-8.9) in 2015.

Shareholders

The Beijer Ref B share has been listed on the stock market since 1983. The share is currently quoted on the Nasdaq OMX Stockholm Mid-Cap list. The share capital in Beijer Ref amounts to SEK 371,684,512.5, represented by 42,478,230 shares, each with a nominal value of SEK 8.75. Beijer Ref had 3,604 shareholders on 31 December 2015. There are two classes of shares: 3,306,240 A shares and 39,171,990 B shares. Each A share represents ten votes and each B share one vote. The distribution of the ownership is shown in the table on page 9.

Long-term and high yield

Profit per share after tax amounted to SEK 8.64 (7.46). Total yield of the Beijer Ref B share amounted to 61.4 per cent. This can be compared with the SIXRX index 2 which had a return of 10.4 per cent. In the past five years, the Beijer Ref B share has had a total yield averaging 14.8 per cent per annum. The corresponding figure for the SIXRX index is 11.4 (14.7) per cent per annum.

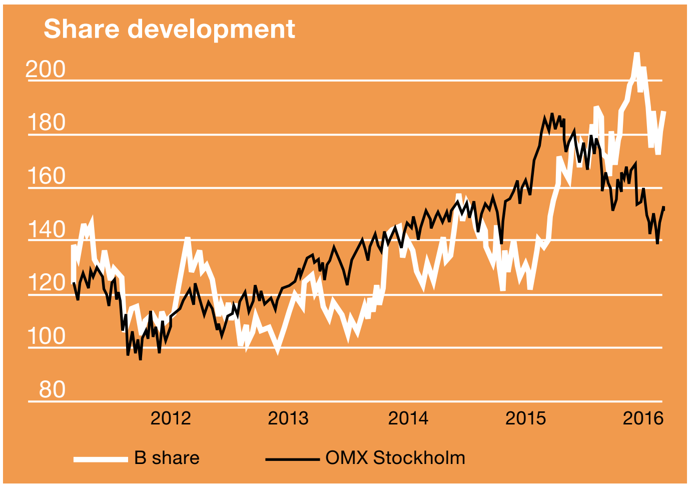
Market value and trading

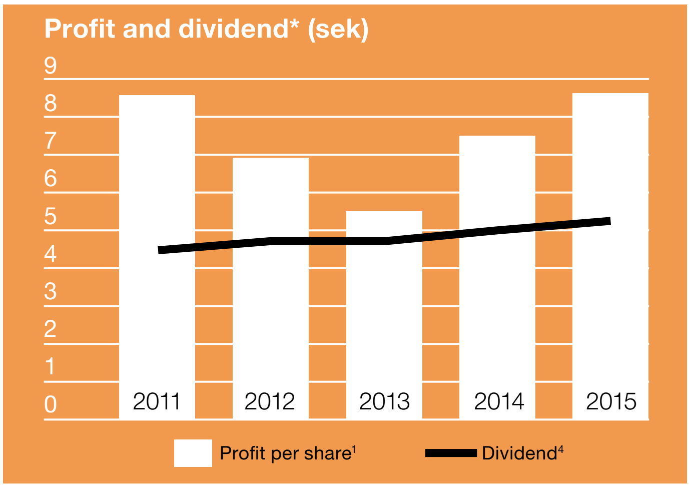
During 2015, a total of 5,074,692 Beijer Ref shares were traded (1,982,010). The total value of trading in the share amounted to SEK 779,707,674 (271,326,491). Average daily trading amounted to 20,218 shares (7,960) or SEK 3.1M (1.1). The highest price paid during the year of SEK 220 was registered on 7 December and the lowest price of SEK 120 was registered on 22 January. Further information about the Beijer Ref share is available on www.beijerref.com.

Dividend

The Board of Directors has proposed a dividend of SEK 5.25 (5.00) for the 2015 financial year. The dividend proposal is equivalent to 61 per cent (67) of the Group's profit after tax for 2015 and to 8.6 per cent (8.2) of shareholders' equity at the year end. The yield, i.e. the proposed dividend as a percentage of the latest price paid during the year, amounts to 2.6 per cent (3.9).

1) OMXS PI, OMX Stockholm PI, an index which weighs together the value of all shares listed on NASDAQ OMX Stockholm.
2) SIXRX, SIX Return Index, the average development on NASDAQ OMX Stockholm, including dividends.





Ownership, 10 largest shareholders and other owners

on 2015-12-30	*A shares*	*B shares*	*Total*	*Capital*	*Votes*
Carrier Refrigeration ECR Holding	717 420	16 874 858	17 592 278	41.4%	33.3%
Magnusson, Joen (private and companies)	1 040 000	170 802	1 210 802	2.9%	14.6%
Bertland, Per (private and companies)	787 000	125 000	912 000	2.1%	11.1%
Jürgensen, Peter Jessen	560 620	—	560 620	1.3%	7.8%
SEB Investment Management	—	3 294 770	3 294 770	7.8%	4.6%
Lannebo fonder	—	2 916 830	2 916 830	6.9%	4.0%
Fjärde AP-fonden	—	2 435 641	2 435 641	5.7%	3.4%
Hain, Jan (private and companies)	160 000	134 000	294 000	0.7%	2.4%
Didner & Gerge Fonder AB	—	1 146 588	1 146 588	2.7%	1.6%
Ekdahl, Gunnar (private and companies)	—	1 060 570	1 060 570	2.5%	1.5%
Total, 10 largest shareholders	3 265 040	28 159 059	31 424 099	74.0%	84.2%
Other owners	41 200	10 925 731	10 966 931	26.0%	15.8%
Shares in own custody	—	87 200	87 200		
Total	3 306 240	39 171 990	42 478 230	100.0%	100.0%
Votes			72 234 390		

Share distribution by size

Owners of	*No. of shareholders*	*A shares*	*B shares*	*Holding (%)*	*Votes (%)*	*Market value (sek k)*
1 - 500	2 639	560	343 242	0.81	0.48	68 764
501 - 1000	398	2 640	308 956	0.73	0.45	62 002
1001 - 2000	217	—	335 169	0.79	0.46	67 201
2001 - 5000	175	—	582 359	1.36	0.80	115 920
5001 - 10000	81	—	595 145	1.40	0.84	118 966
10001 - 20000	32	—	446 306	1.05	0.62	89 484
20001 - 50000	17	40 000	498 521	1.28	1.25	101 156
50001 - 100000	17	—	1 195 073	2.81	1.65	239 612
100001 -	28	3 263 040	34 867 219	89.76	93.44	6 990 877
Total 2015-12-30	3 604	3 306 240	39 171 990	100.00	100.00	7 853 984

Share data* (sek)

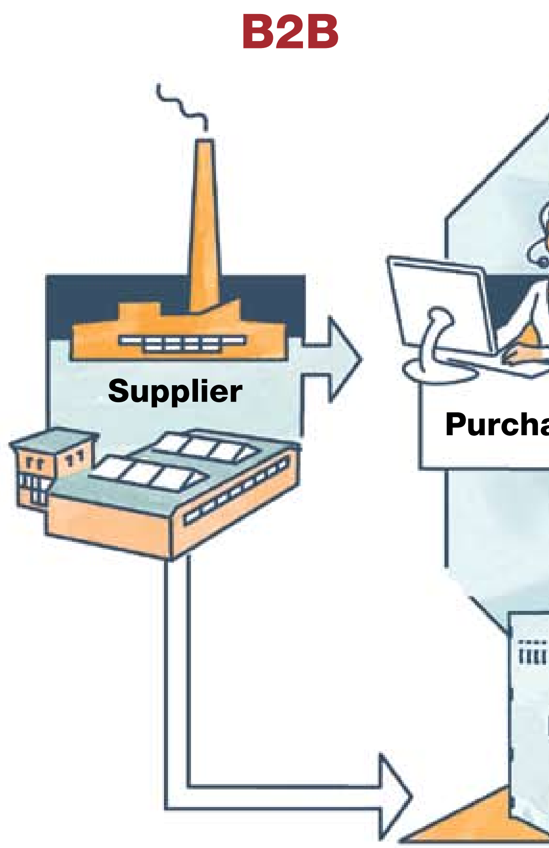
	2015	*2014*	*2013*	*2012*	*2011*
Profit per share [1]	8.64	7.46	5.51	6.96	8.59
Equity per share [2]	62	62	57	57	57
Cash flow per share [3]	11.52	9.12	6.09	7.91	9.06
Dividend [4]	5.25	5.00	4.75	4.75	4.50
Market value [5]	200.5	127.5	140	108	109
Yield, % [6]	2.6	3.9	3.4	4.4	4.1

*) Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.

Definitions
1) Refers to the remaining operation. Net profit for the year divided by the average number of outstanding shares.
2) Shareholders' equity divided by the number of outstanding shares at year end.
3) Refers to the remaining operation. Cash flow from the current operation before changes in working capital divided by average number of outstanding shares.
4) For 2015, in accordance with the Board of Directors' proposal.
5) On 31 December.
6) Dividend in relation to market value on 31 December.

business concept
and business model

Beijer Ref is one of the largest operators in the world in the global refrigeration wholesale market. We sell refrigeration systems, components for refrigeration systems, air conditioning and heat pumps via around 330 branches in Europe, Africa, Asia and Oceania.



The right temperature in the refrigerated display counter, comfortable air in the office and a stable climate in the server room are only a few examples of where solutions from Beijer Ref play an important part. Refrigeration, heating and air conditioning are hygiene factors in many operations and are often first noticed when something is wrong. Our customers install and service equipment in many different environments and are dependent on the fact that we have a range which is modern and eco-friendly, accessible and varied, and available at the right price.

Business concept – to offer added value

Beijer Ref's business concept is to be a technology-oriented trading Group which, through added-value products, offers its customers competitive solutions within refrigeration and air conditioning.

Business model

Our value chain consists of purchasing; own manufacturing and customer adaptation of products by contributing technical expertise; efficient logistics and warehousing; and system solutions. We meet our customers through a market-adapted sales organisation consisting of 330 branches which also offer technical support and service.

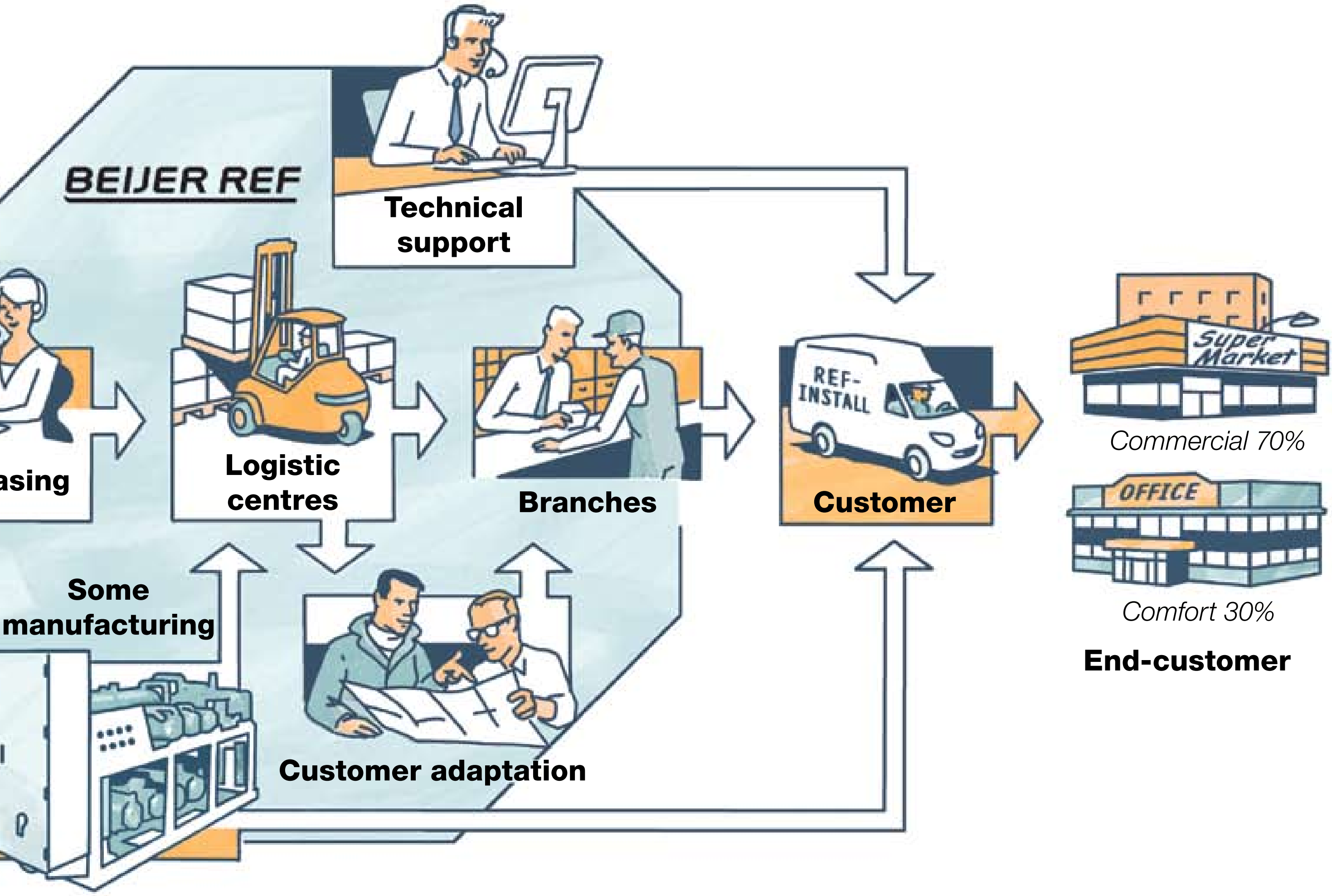
The variables of the value chain are continually evaluated from the customer's perspective. These variables include decentralisation, local presence, accessibility, rapid and efficient logistics, technical expertise and service. Our investment in an increased OEM offer is an example of how the knowledge gained from such an evaluation has led to tangible change.

Our business model is based on a Business-to-Business (B2B) operation i.e. trading with products and services between companies.
Over the years, our business model has been sustainable and stable. The fundamental concept is the focus on trading operations and on the distribution of refrigeration components, refrigeration systems and air conditioning. We offer products from a large number of market and technology-leading brands within our entire product range.

The business model generates stable results. During the latest five-year period, operating profit has increased by 11.6 per cent per annum on average. The operating margin (operating profit in relation to sales) has averaged 6.5 per cent during this five-year period. It has shown variations with a low of 5.7 per cent and a high of 7.4 per cent. During the same period, the return on capital employed in operations averaged 12.9 per cent. Return on equity was 13.1 per cent on average.

Organisation

Our organisation is characterised by decentralisation. Of the Group's around 2,500 employees, only 15 persons are attached to the head office. The objective is to create well-functioning local companies which work close to their markets and get the necessary support from the Group functions.



In most of the acquisitions made, the management group and organisation structure have been maintained in order to preserve competence and maintain the focus on the customer. Exceptions are acquisitions made in markets in which Beijer Ref is already operating and where there are clear advantages (purchasing, logistics, service etc.) in merging several companies into one. The Beijer Ref brand will be used increasingly in the future. Group co-ordination takes place within areas such as purchasing and logistics, whereas the local companies have greater freedom to take decisions in relation to market strategy and customer offers.

The investment in an increased OEM offer focuses on own product development and manufacturing of chillers. Refrigeration competence has, therefore, been accumulated in local companies in France, Italy and Sweden. The number of such manufacturing companies is planned to increase in future years. The existing companies already provide markets all over the world with individual standard solutions and tailor-made overall concepts.

The Group functions have a supporting task and handle matters such as company and financial control, logistics optimisation, overall marketing, acquisitions, legal matters and purchasing. Continual management is exercised through representation in local boards of directors.

strategy
and objectives

Beijer Ref has at its objective to grow faster than the market and to continue to grow as a global operator. Growth shall be made both organically and through acquisition.

Our operation focuses on commercial and industrial refrigeration, air conditioning and heat pumps. The resources are mainly concentrated on the wholesale operation, but also on own development of advanced eco-friendly refrigeration systems. This is a complement to the existing trading operation and opens new market segments.

Beijer Ref will continue to grow organically and through supplementary acquisitions in existing and new markets, both in Europe and in the rest of the world.

• The Group will give priority to long-term planning and stability in its business relationships
• The primary interest groups consist of shareholders, customers, employees and suppliers.

The value for the shareholders is created through a positive share price development, through dividends and through growing with a good return on invested capital. For our customers, we create value by developing new attractive products and services, developing further and improving the existing offer, and by securing good accessibility and short delivery times. Through a close collaboration with our suppliers, we create value where our joint market insights can be converted into attractive products and services. For our employees, we create value by offering a stimulating job with remuneration on market terms, good opportunities for competence development and a secure and healthy working environment.

Investment in OEM

In accordance with the new strategy, manufacturing companies were established in Sweden and France in 2015 based on the model that has proved so successful for our subsidiary, SCM Frigo, in Italy. This so-called OEM model (Original Equipment Manufacturer) is driven by a demand among our customers for larger and, in many instances, customised solutions.

The objective is to establish additional similar manufacturing companies – all with a focus on developing modern, eco-friendly and carbon dioxide-based refrigeration systems.

Organic growth in excess of GDP

The majority of our markets are mature. In spite of that, our growth rate in these markets exceeds GDP by around two per cent on average. This is mainly due to the fact that operation has close links to the food industry, which has good underlying growth.

Our sales are not distributed evenly over the year, but have traditionally been stronger in Q2 and, especially, in Q3 due to increased demand during the months when the weather is at its warmest in Europe. Demand then increases for both new installations and for the refurbishment of, and repairs of, old installations. Through expansion in the southern hemisphere, we also gain access to warm periods in Q4 and Q1, which will even out the sales variations in the long term .

Acquisition as a part of the strategy

A significant part of the growth strategy consists of expansion in new markets and a strengthened presence in markets where we have already been established. During 2015, an example of this was the agreement to acquire the remaining shares in HRP, which will give us benefits of scale in the United Kingdom. The acquisitions of Patton and Realcold established us in Australia, New Zealand and India – three markets which we deem to have a great potential. In addition, we are strengthening our presence in Asia through the acquisition of the remaining shares in the Thai manufacturing company, PattonAero.

During the latest ten-year period, 2006-2015, Beijer Ref has reported an annual organic growth of around three per cent on average.

Long-term partnerships

A cornerstone in our operation is our long-term and stable relationships with important suppliers. Together with our suppliers, we convert our knowledge of the market into products that meet the customers' demands and requirements.

Objectives

• Beijer Ref aims to strengthen still further its position as the leading operator in Europe and to continue to grow as a global operator. The objective is to grow faster than the market.
• The Group aims to achieve a return on capital employed in operations of at least 11 per cent.
• The Group aims to have good cash flows and a high-dividend capacity. The objective is to distribute more than 30 per cent of profit after tax. However, the level will be weighted every year against the Group's capital requirements and prospects for the future.
• The equity ratio shall not normally fall below 30 per cent.

Simon Karlin,
Chief Operating Officer,
Beijer Ref

"Our venture in OEM manufacturing is about becoming even better at something we have done for a long time. Many of our subsidiaries already have minor manufacturing units where, among other things, they assemble chillers. With the OEM investment, we want to deepen this knowledge and ensure that the entire Group will benefit from it. We have, therefore, increased our focus on a number of assembly workshops, including in France and Sweden, by bringing them together in the same organisation under the leadership of our Italian company, SCM Frigo. During the current year, more manufacturing units will join. By offering specially adapted and completed solutions, we broaden our offer and reach a larger part of the market.

We monitor the development in new refrigerants very carefully, as they demand more advanced control systems and many other types of new components than before. SCM Frigo has a long experience of building advanced and eco-friendly systems and we will spread that knowledge to all our markets. Our customers will come to know that Beijer Ref can provide advice and support about the very latest technology in our sector.

Many of our customers are too small to have this competence in their own operation. We help them to construct and assemble and make their work considerably easier. It is a great advantage for the customer to be able to get a turnkey unit with control provided from an electronics cabinet."

large product range
close to the customer

Beijer Ref operates in a global market where the demand for new installations is to a great extent controlled by the general economy, whilst the demand for repair and maintenance work is more stable.

Other external factors also influence Beijer Ref's sales. One example is the rising living standards seen in many parts of Africa and Asia. Improved economic conditions lead to increased demand for commercial refrigeration, comfort cooling and air conditioning.

In mature markets, primarily in Europe, a changed consumption pattern has been seen over the past decade. The consumption of refrigerated and frozen dishes and the proportion of ready meals have increased. It contributes to investment requirements and increased demand from both the traditional food trade and from completely new store categories.

An external factor that will impact in the next few years is the EU's F-gas ordinance, which gradually bans refrigerants with a greenhouse effect. It requires the reconstruction or replacement of a large number of refrigeration installations in years to come and is an example of how regulations and legislation can generate market effects for Beijer Ref. Our assessment is that similar ordinances will be decided in other markets globally. Demand for energy-efficient installations is also increasing and we see a growing number of questions about the future recycling of products.

Shopping mall with tough environmental demands

The autumn of 2015 saw the opening of Mall of Scandinavia, the largest shopping mall in the Nordic countries. It is the first mall in Sweden to have been classified as 'Excellent' in accordance with the global environment and sustainability standard, BREEAM. This is a consequence of the fact that property owner placed very strict environmental demands on his suppliers right from the outset.

Beijer Ref's subsidiaries, Kylma in Sweden and SCM Frigo in Italy, have jointly delivered refrigeration equipment to one of the Group's customers, who had been commissioned to install refrigeration for the outlets in Mall of Scandinavia. The biggest challenge was to create a solution where 18 of the Mall's restaurants were linked to the same refrigeration system. With so many units linked to the same refrigeration system, there is a risk that needs to be avoided, which is that all the units could lose their refrigeration if a problem occurred in just one restaurant outlet.

A large number of employees in Kylma and SCM Frigo participated in the planning of the system together with the customer. The delivered installation is an eco-friendly CO_2 solution for all the outlets' refrigeration and freezing requirements. A web-based security system contributes to ensuring that no customer will be without refrigeration.

The project was carried out under significant time pressure and in close collaboration with a number of suppliers. Beijer Ref delivered the complete installation, from tubes and couplings to control systems and security. The customer received a complete solution ready for installation. Beijer Ref, once again, showed its strength through good internal collaboration and a close working relationship with suppliers.

The hot summer in Southern Europe in 2015 had direct effects on sales in the region for Q2 and Q3. Through our geographic expansion we can benefit from more summer months. It also gives us access to more markets with a stable warm climate, not least in Africa and Asia.

Market and customers
Beijer Ref's products are found in refrigeration, freezer and air-conditioning systems which together are a necessary part of a modern society. We split our offer into three segments:

• commercial refrigeration - refrigeration installations supplied to, among others, food stores, shopping malls, cafes and hotels

• industrial refrigeration - process refrigeration provided to, for example, ice rinks, offices and computer rooms

• comfort cooling - climate control and ventilation for private residences, offices and stores.

Sales are mainly made to refrigeration installation contractors, service companies, and contractor companies. We also deliver components to manufacturers of refrigeration products which, in turn, deliver to end customers. Of our 60,000 customers, the five largest customers account for less than five per cent of sales. Almost everything we deliver is adapted to the customer's specific requirements, which makes a close and relationship-creating collaboration with the customer important. The aftermarket accounts for nearly 70 per cent of sales.

The product programme consists both of the sector's leading brands and of a growing segment with products developed by the Group itself. In addition, we have the exclusive distribution right in eleven countries in Europe for the Japanese company's, Toshiba, air-conditioning and heating products and an exclusive agreement for the sales and service of the American company's, Carrier, comfort-cooling products in most countries in Europe and in South Africa.

TripleAqua cuts energy consumption and emissions

Close cooperation between several Beijer Ref companies has resulted in the TripleAqua sustainable climate system. Ideally suited for the real estate sector, Triple Aqua cuts energy use by up to 50 per cent and minimizes Global Warming Impact.

Heating and cooling buildings accounts for a substantial part of European energy consumption and fossil fuel use. The European Commission wants to save energy and reduce emissions and has issued several directives (e.g. Ecodesign) in this field.

Recognizing that heat pumps are a prime way to achieve these goals, Beijer Ref and its Dutch subsidiaries Uniechemie and Coolmark have therefore developed a sustainable climate system.

The result is TripleAqua, a climate system for buildings that can cool, heat and store in one go. One of the most efficient heat pump systems in the world, TripleAqua will have a substantial impact on energy consumption and emissions in new and older buildings alike.

TripleAqua uses natural refrigerant Propaen instead of F-gas, unlike 99.9 percent of existing heat pumps. Features include state-of-the-art room controllers and micro-filtration cassette filters that ensure clean air.

Using only standard water pipework, TripleAqua combines effortlessly with other systems, for instance in hospitals, care centers, schools, hotels, shops, offices and supermarkets. By generating warm and cold water simultaneously, TripleAqua can reduce energy use by 50 percent and minimizes Global Warming Impact. The energy label is A+++.

TripleAqua is a unique collaboration within the Beijer Ref group. Uniechemie is responsible for development and production and Coolmark for sales and distribution in the Dutch market. Other Beijer Ref companies have started sales preparation and will distribute the TripleAqua system across Europe.

Our competitive edge is the breadth and depth, both with regard to technical competence and product range. This is complemented with a local presence via a large number of branches on four continents and an efficient distribution network with rapid access to spare parts for service, maintenance and repair. We also offer delivery of system solutions that simplify installation.

Commercial and industrial refrigeration

Commercial and industrial refrigeration accounts for 70 per cent our operation. We hold the distribution rights to a large number of well-known products, such as compressors and refrigerants as well as equipment for control and monitoring

The EU's F-gas ordinance is deemed to have a significant impact on the demand for commercial and industrial refrigeration in years to come. A large number of installations around Europe will need to be replaced or reconstructed as an effect of the new rules and regulations, which will generate a positive market development.

In a global perspective, there is increased demand for commercial and industrial refrigeration, partly as an effect of changed living patterns. The consumers eat more ready meals, which are sold refrigerated or frozen. It requires additional refrigerated display counters and expanded distribution installations. Rising living standards, partly in Asia and Africa, also drive up the demand for refrigerated and frozen foods, with a positive market development as the result.

Comfort cooling (HVAC)

The comfort cooling segment covers heating and air conditioning and comfort cooling for both private residences and offices. The market is growing in the long term, but is more cyclical than the market for commercial refrigeration.

Demand is influenced by the local climate, but also by factors such as living standards and economic development. In Europe, the largest markets for comfort cooling are found in the south whereas, for natural reasons, the countries in Northern Europe are more developed within solutions which regulate heat. The growing middle classes in Asia have a positive effect on demand and the same applies in many parts of Africa.

Within the heating segment, highly-efficient air/water-heat pumps continue to replace traditional oil and gas burners, which is benefitting the demand for our products.

Exclusive agreements with strong brands

An important part of Beijer Ref's strategy is long-term and close relationships with our suppliers. We currently have the sole right in eleven countries in Europe for the distribution of Toshiba's air-conditioning units and heat pumps. Toshiba is a leading brand in Europe and is known for high quality and low energy consumption.

In January 2015, we signed an exclusive distribution agreement with the world-leading American refrigeration group, Carrier. The agreement gives Beijer Ref the sole right for sales and service of the DX comfort cooling products in most countries in Europe.

Other brands that Beijer Ref offers within comfort cooling include Danfoss, Bitzer, Mitsubishi Heavy Industries, Copeland, Tecumseh, Alfa Laval, Honeywell, Mitsubishi Electric, Lu-Ve, Cupori, Hitachi, Carel, Panasonic, Armacell, Embraco and Daikin.

We also sell small chillers under our own brands, Cubo and Patton. Some components within refrigeration and air conditioning are sold under the Totaline brand.

In total, Beijer Ref collaborates with around one hundred suppliers. It gives us an independent position in the market and benefits the customers through a broad and extensive product supply.

Customers with strict demands

The majority of sales are made to installation companies and contractors who also maintain existing equipment.
In most cases, they are small, independent companies that have strong demands from their customers for a short installation time and to solve any technical problems rapidly that have arisen.

Johan Bökman, Logistics Manager, Beijer Ref

"In a wholesale operation such as ours, the inventory turnover rate is very important. We must ensure that capital is not tied up unnecessarily whilst we maintain our high level of service. We, therefore, launched a strategic investment programme at the end of 2014 aimed at optimising our logistics in order to reduce tied-up capital and increase the inventory turnover.

During 2015, we have been involved in launching our new Business Intelligence System through our units in Europe. It gives us the opportunity to see the status of all our inventories, which will enable us better to plan purchasing and co-ordinate the total inventories

A challenge for us is that our companies have different business systems and, therefore, the work of creating a joint structure for article numbers is significant. However, the most important challenge is to ensure that the changes in logistics do not have a negative effect on our level of service. One of our most important competitive advantages is that we are close to the customer, with high accessibility.

In the long term, our work will make it possible to lower the capital tied up and provide an even better service level than today. We have already seen that our European companies have improved their inventory turnover rate by ten per cent and we will now continue the implementation in other markets. "

Beijer Ref's most important role as a wholesaler is, therefore, to provide a cost-efficient logistics chain which includes a broad range of products that meet the requirements of the local market. We need to have warehousing which corresponds with the demand that exists in every country.

Another important role is to offer technical advice relating to the products and systems we distribute. This is becoming an increasingly important factor in the customer's choice of partner and is in step with products and systems becoming more complex.

Distribution and sales
We distribute our products mainly through our own wholesale network but, on the comfort side, also through a network of resellers. Distribution and sales have been co-ordinated with the existing structure for the refrigeration wholesale operation and consists of offices and branches as well as warehouses and logistics centres in the respective country.

The local country organisations are designed to offer a first-class service to our customers and to meet the requirements both within new sales and the aftermarket. In addition to sales engineers and technical staff, there are usually functions for marketing and logistics. As a result, we secure close local ties with, and proximity to, the customer in each market. The fact that the units also provide warehouses ensures efficient and rapid delivery of products and spare parts, which is of significant value to the customers.

Expanded logistics
Efficient logistics is a prerequisite in a sector where the aftermarket accounts for the majority of sales and the assignments are often time-critical. Beijer Ref has more than 25 logistics centres and around 330 branches specialising in refrigeration and air conditioning.

Since 2014, work with the overhaul and optimisation of the logistics organisation has been ongoing with the aim of improving the use of capital. Even more efficient logistics will also have positive effects on the environment.

Jonas Jusevicius, MD Beijer Refrigeration UAB Lithuania, Uldis Osenieks, MD Max Cool Latvia and Alar Sildvee, MD Külmakomponentide, Estonia

Market leader in the Baltic States

Beijer Ref's venture in the Baltic States started in 1997 when the subsidiary, Külmakomponentide, was established in Estonia. A few years later, Max Cool was established in Latvia and, thereafter, Beijer Refrigeration in Lithuania.

As in the rest of Europe, customers consist primarily of small local entrepreneurs who install and maintain refrigeration and freezer plant. The climate in the Baltic States is similar to that in the Nordic countries, which means a significant interest in eco-friendly and efficient CO_2 solutions. The EU's F-gas ordinance has further increased the demand for these solutions. Among other things, CO_2 installations have been installed in several leading food chains in the Baltic retail market. The installations are manufactured by SCM Frigo in Italy.

In spite of tough competition from both local and international operators, the venture has been successful and Beijer Ref is currently the market leader in the three Baltic countries. One success factor has been the local presence, where Beijer Ref's staff members have close relations with the customers and know their local markets well.

Becoming an even stronger number one

Beijer Ref has entered the Australian and New Zealand markets with full force, acquiring two of the region's important wholesalers. The new integrated company will have a strong local presence combined with solid global support.

Sameer Handa
MD, Beijer Ref Australasia

If anyone in the Australian and New Zealand refrigeration wholesale markets had not heard of Beijer Ref before, they sure do now. Early in 2015, Beijer Ref announced its acquisition of Patton, New Zealand's leading refrigeration wholesaler. As Patton also has substantial operations in Australia, Beijer Ref entered two markets at once.

The follow-up came in July, when Beijer Ref acquired all the assets of Realcold, the market number two in New Zealand and with operations in Australia. A major task is now underway to integrate the two companies under the Beijer Ref umbrella.

"In New Zealand, we will be keeping the old brands because of their heritage and strong brand loyalty. In Australia, we are merging both brands into Beijer Ref Australia," says Sameer Handa, Beijer Ref Managing Director AustralAsia.

"For both countries, I see a number of advantages in being part of the Beijer Ref group, including economies of scale in purchasing, access to newer and better brands and access to new technologies."

Extensive market experience

Patton and Realcold are well established, having been in business for 92 and 60 years respectively. Both originate in New Zealand, from where they have expanded into Australia. Patton has also established a presence in Thailand and India. Together, they employ 280 people and have combined sales of SEK 750M.

Competition is primarily from local companies in both markets. Beijer Ref is the first industrial group with global operations to enter the refrigeration markets in Australia and New Zealand.

"Getting access to the knowledge and technologies of the Scandinavian markets will be a huge benefit. Also, having the world-renowned SCM Frigo in the same group will be a great advantage," Handa says.

Growing demand for CO_2 solutions

Demand for CO_2 solutions is booming in Australia and New Zealand. Both nations are committed to tough environmental standards, having banned CFCs in 1995 and HCFCs in 2015. Neither country has yet embarked on F-gas regulation, however. Australia launched a carbon tax scheme in 2012, but repealed it in 2014 and new regulations are yet to be introduced.

Beijer Ref's global leadership in CO_2 solutions came to the fore in October, when Patton won its first order for a CO_2 solution in New Zealand. The CO_2 rack, to be produced by SCM Frigo in Italy, is for a supermarket operated by a leading New Zealand retail chain.

Food a key market

Often regarded by Europeans and Americans as one market, Australia and New Zealand are actually quite different. The hot climate of Australian summers requires cooling, whereas New Zealand is primarily a heating market. The refrigeration sector is quite sophisticated in both nations, while air-conditioning is still in a growth phase. The lion's share of sales come from industrial and commercial cooling.

"Most of our equipment ends up at farms for milk chilling or for cold storage of kiwi fruit, apples and other stone fruits. We also supply to the meat and seafood industries and to wineries. Of course, another important market is food distribution and retail," Handa says.

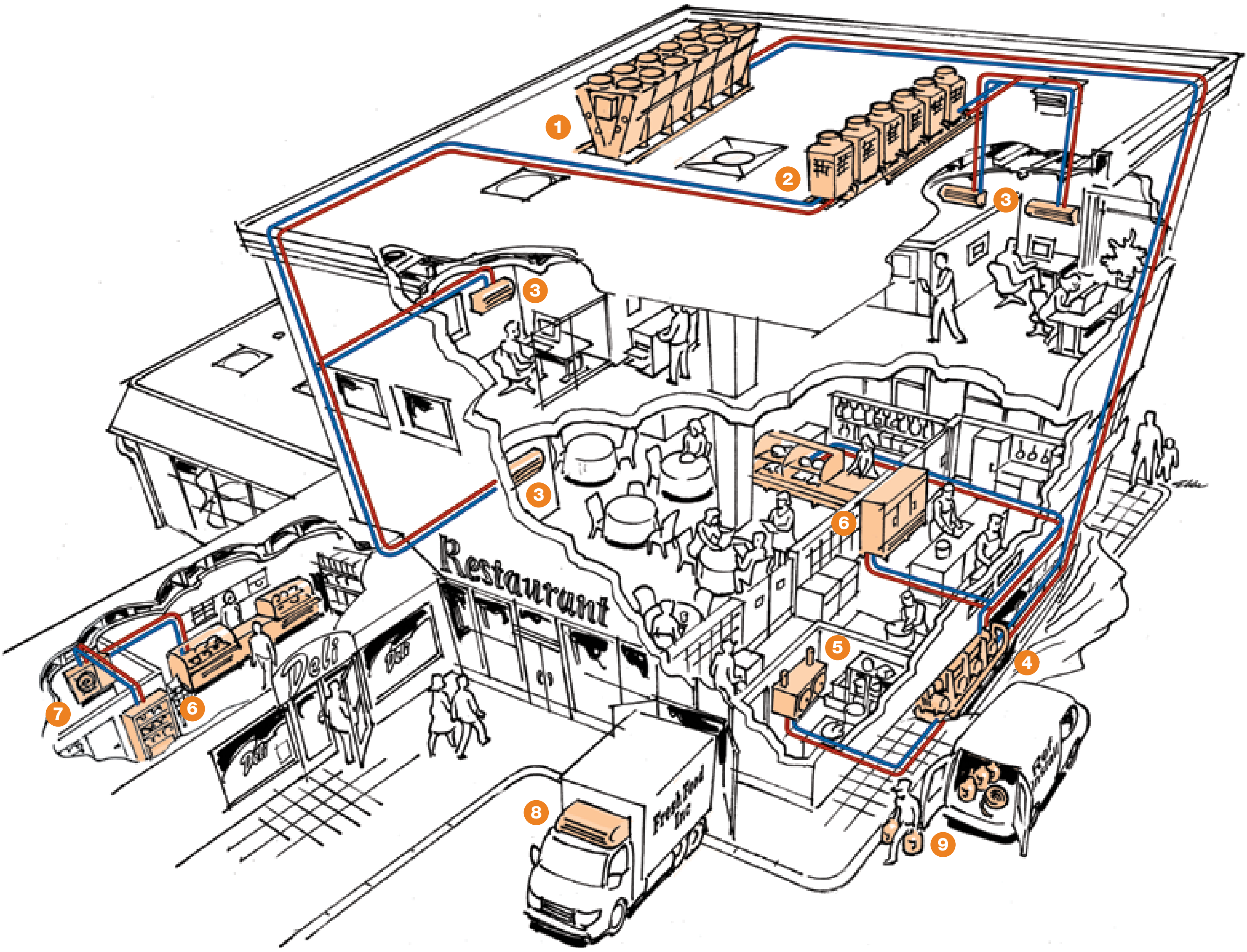
An increased offering

Customers mostly comprise smaller contracting businesses, along with some OEMs. Proximity to customers and fast delivery are key priorities for both Patton and Realcold. Both companies have grown their market share in Australia in the last five years by opening more outlets.

"Having local skilled staff with strong customer relationships is the key challenge, and both Patton and Realcold have always been very strong in that area. Being part of Beijer Ref will certainly make it easier to attract high calibre people to work with us," Handa says.

He is now leading the integration process that will see Beijer Ref's product supply incorporated into the Patton and Realcold offerings. Beijer Ref brings a number of international brands to the table, which will make the previous product portfolio even stronger.

"There are so many positives all around for this merger, and we are receiving strong positive feedback from staff and suppliers," Handa says. "But more importantly, I see that it gives us the opportunity to further increase our customer offering in helping and maintaining our position as the number one in New Zealand and grow our presence in Australia."



Beijer Ref's products are found in most locations in modern public environments. The products are required for private residences, shops, food stores, restaurants, offices, hotels, boats, cars and other means of transport, sports centres, different types of industries, etc. and are a prerequisite for a modern functioning society. As an example, the illustration shows how our products are found in a restaurant complete with an office and a shop.

1/ Refrigerant coolers, heat exchangers

2/ Outdoor part VRF (Variable Refrigerant Flow), distributes heat and comfort cooling for the internal parts

3/ Internal part VRF, for a comfortable and cost-efficient indoor climate

4/ Chiller, creates and maintains a temperature lower than the environment

5/ Fan evaporator, cools the air in the cold store

6/ Refrigerated and freezer counters for food

7/ Condenser unit, drives the refrigerated counters in the store

8/ Transport refrigeration, for product deliveries

9/ Certified installation engineer, installs refrigeration systems and maintains and searches for leaks in refrigeration and heat pump installations

environmental
rules drive the market

Changes in legislation, rules and regulations will have a significant effect on the refrigeration sector in the years to come. The EU's F-gas ordinance points out the move for an environmental changeover in the entire sector.

On 1 January 2015, the EU's so-called F-gas ordinance came into force. It will gradually ban refrigerants with a greenhouse effect (so-called fluorised greenhouse gases) so that they will only constitute 21 per cent of the current levels by the end of 2030.

The refrigerant is one of the very central parts in a refrigeration system. It is the refrigerant that transports the heat away and in that way contributes to chilling. Traditionally, many refrigerants have been based on hydrogen-fluoride-carbon compounds, so-called freons. It is the use of these freons that will be limited through the F-gas ordinance.

Focus on natural refrigerants
In order to ensure how much the greenhouse effect is influenced, the term GWP (Global Warming Potential) is used. The F-gas ordinance, in increasingly stricter

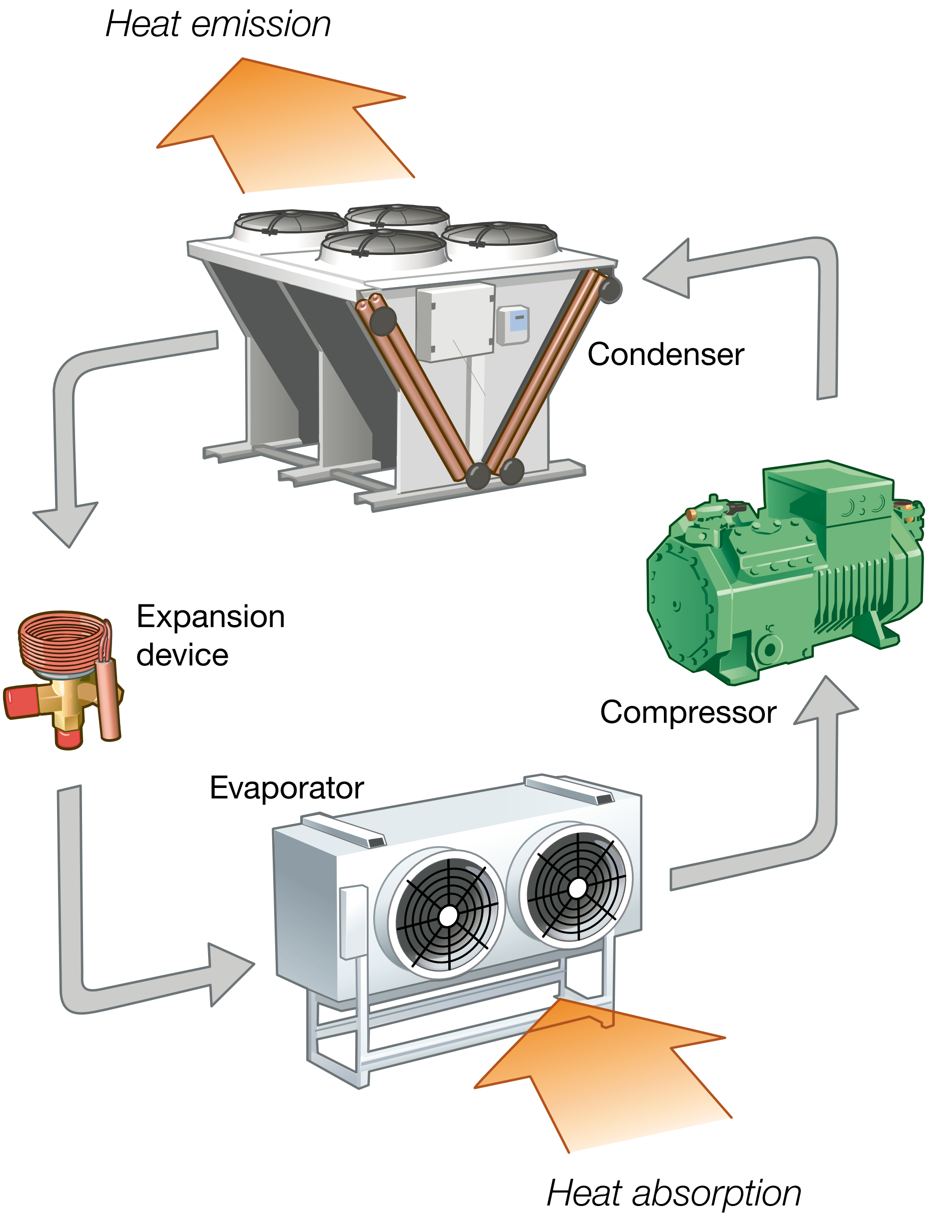
In simple terms, a complete refrigeration system consists of the following components:

- A compressor which pumps a refrigerant through a cooling system.

- A refrigerant which transports heat away from the refrigerated area.

- Heat exchangers of various types such as evaporators and condensers.

- Expansion device which ensures that the right volume of refrigerant is added to the evaporator.



stages, phases out refrigerants with high GWP values so that compared with today they will have been reduced to one fifth by 2030.

Natural refrigerants with low GWP values include ammonia, carbon dioxide and propane. A common feature for all three refrigerants is that they require a different type of installation and a higher safety consideration than HFC refrigerants. As examples, propane is inflammable and carbon dioxide can bring health risks for those subjected to a large volume. These refrigerants also require higher pressure in the systems than older refrigerants, which can expose the people who handle the installation to increased risk.

Stricter demands on construction

Intensive research is, therefore, in progress among leading chemicals companies aimed at producing a new generation of synthetic and eco-friendly refrigerants. Factors driving the work include energy-efficiency, environmental impact as well as safety and economy in the respective area of application.

The F-gas ordinance means that an extensive restructuring of the sector has started, with significant needs for investments in new eco-friendly refrigeration technology. For Beijer Ref, this means an increase in demand for the Group's products. We are also facing increased demands to be able to offer advice and construction of new eco-friendly refrigeration systems. One example is that SCM Frigo has built an advanced and much appreciated test environment where our customers are also allowed to test new eco-friendly products in a realistic environment.

Knowledge and market leader

For some years now, SCM Frigo has been running an ambitious training venture relating to eco-friendly solutions with a focus on carbon dioxide technology under the name Beijer Ref Academy. With Beijer Ref Academy, all Beijer Ref units will be able to offer their staff, as well as customers and collaboration partners, a correct picture of the opportunities with natural refrigerants for applications in different parts of the world, regardless of climate.

Europe, and especially the Nordic countries, are at the forefront of the change-over to eco-friendly refrigeration technology, which gives Beijer Ref a competitive advantage as this has traditionally been our home markets. We have already been involved with construction and sales of eco-friendly alternatives for many years. During 2015, we won our first order outside Europe for a carbon dioxide-based eco-friendly refrigeration system for New Zealand, which shows that Beijer Ref has the capacity to deliver these solutions globally.

group summary

The Board of Directors and the CEO of Beijer Ref AB (publ), corporate identity number 556040-8113, submit their annual report and consolidated accounts for the 2015 financial year.

Group
The Beijer Ref Group is focused on trading and distribution operations within refrigeration products, air conditioning and heat pumps. The product programme consists mainly of agency products from leading international manufacturers and, in addition, some manufacture of own products, combined with service and support for the products. The Group creates added value by contributing: technical competence to the products; accounting for knowledge and experience about the market; and by providing efficient logistics and warehousing.

Operations are carried out by region within the Beijer Ref, which comprises Beijer Ref ARW (Air conditioning, refrigeration, wholesale) and Toshiba's distribution operation within air conditioning and heating. The Beijer Ref Group is a leading operator within the refrigeration sector in Europe and has a significant position within air conditioning in Europe. The operation is split into six geographic segments: Nordic countries, Southern Europe, Central Europe, Eastern Europe, A & A (Africa and Asia) and Oceania. Growth is achieved both organically and through the acquisition of companies which supplement existing operations.

Parent company
Beijer Ref AB is the parent company of the Beijer Ref Group. The parent company carries out central functions such as group management and group control. The company's registered office is in Malmö. The parent company reports a profit after tax of SEK 148.3M (223.0) for the 2015 financial year. During 2015, the parent company has been merged with the wholly-owned subsidiary, G & L Beijer Ref AB.

Significant events during the financial year
In January, Beijer Ref signed an agreement with Carrier International Corporation, the world-leading American refrigeration group. The agreement gives the Swedish refrigeration wholesaler the exclusive right to distribute Carrier's DX product series within the comfort-cooling segment and to all pertaining service of these products in Europe.

In February, Beijer Ref acquired all the shares in the refrigeration wholesale company, RNA Engineering & Trading, which has its head office in Kuala Lumpur, Malaysia. The company reports sales of approximately SEK 45M. It is the leading refrigeration wholesaler in the Malaysian market for commercial refrigeration, estimated to be worth nearly SEK 480M with stable growth of around ten per cent per annum.

In March, Beijer Ref acquired all the shares in the refrigeration wholesale company, Patton, which has its head office in Auckland, New Zealand, and operations in New Zealand, Australia, India and Thailand. Patton was founded in 1923 and reports sales of approximately SEK 400M. It is the leading refrigeration wholesaler in New Zealand, with some sales of products manufactured by the company itself. The acquisition gives Beijer Ref a foothold in the important New Zealand, Australian and Indian markets and, at the same time, strengthens the existing operation in Thailand.

In May, Beijer Ref expanded its OEM division through the formation of the company SCM Ref France which, with its registered office in Lyon, will focus on the development of an assembly operation for Beijer Ref's subsidiaries in Southern Europe. The Group transfers its collective refrigeration competence to a growing portfolio with products manufactured by the company itself, which has its starting point in the Italian company's, SCM Frigo. In Sweden, the manufacturing company, SCMREF AB Sweden, already exists.

In June, Beijer Ref Poland signed its first order for carbon dioxide-based refrigeration systems, which is a step forward in the Group's ambition to contribute to eco-friendly refrigeration technology in Europe.

In July, Beijer Ref acquired the refrigeration wholesale company, Realcold, which has its head office in Auckland, New Zealand, and around 20 branches in New Zealand and Australia.

In October, Beijer Ref continued to develop its operation in Africa by establishing an operation in Ghana.

In October, Beijer Ref also signed the first order for carbon dioxide-based refrigeration systems manufactured by the Group itself through its subsidiary, Patton, in New Zealand. The refrigeration installation is manufactured in accordance with modern refrigeration technology by Beijer Ref's Italian company, SCM Frigo, for installation in a leading food chain in New Zealand.

In November, Beijer Ref signed an agreement to acquire the remaining 56 per cent of the shares in the refrigeration wholesale company, HRP Ltd, which has 15 branches in the United Kingdom. Beijer Ref has previously owned 44 per cent of HRP since its acquisition of Carrier Corporation's refrigeration wholesale operation in Europe and South Africa in 2009. As a result, Beijer Ref will strengthen its position in Europe and, with HRP as a complement to the Group's existing UK refrigeration wholesalers, Dean & Wood and RW Refrigeration, consolidate its position as the market leader in the United Kingdom. The acquisition will be completed during 2016.

In December, Beijer Ref acquired the remaining 40 per cent of the shares in the Thai company, PattonAero, which manufactures chillers, evaporators and condensers. The acquisition of Patton in March 2015 included an ownership of 60 per cent and, with a wholly-owned manufacturing company, the opportunity also increases for Beijer Ref's OEM division to develop eco-friendly refrigeration technology in Asia.

Sales and results

Consolidated sales increased by 16 per cent to SEK 8,360.6M (7,189.0). Organically, the increase in sales was four per cent compared with the previous year. The weak demand in Europe in the previous year has improved. The hot summer in large parts of Europe, especially in the southern parts, contributed further to the improvement. All regions reported increased sales for 2015. The acquisition of the Patton group also contributed to the sales increase.

Commercial and industrial refrigeration reported sales of SEK 6,219.4M (4,958.9) and accounted for 70 per cent of total sales. Comfort cooling reported sales of SEK 2,700.6M (2,112.9) and accounted for 30 per cent of sales. OEM, which is included in commercial and industrial refrigeration, accounted for 5 per cent of its total sales.

Consolidated operating profit for the 2015 full year amounted to SEK 567.1M (481.4).

The Group's financial income/expense amounted to SEK -42.3M (-34.9) for the full year.

Profit before tax amounted to SEK 524.8M (446.5) for the full year and profit after tax to SEK 373.1M (324.5) for the full year.

Profit per share amounted to SEK 8.64 (7.46).

Financial review	2015	2014
Operating income, SEK M	8 360.6	7 189.0
Operating profit, (EBITDA), SEK M	636.4	543.8
Operating profit, (EBIT), SEK M	567.1	481.4
Profit after financial items, SEK M	524.8	446.5
Profit for the year, SEK M	373.1	324.5
Operating margin (EBIT), %	6.8	6.7
Return on average capital employed, %	13.0	11.9
Return on average equity, %	14.2	12.9
Equity ratio, %	43.6	46.0
Cash flow from current operations, SEK M	495.4	238.1
Liquid funds (incl. Unutilised credits), SEK M	751.4	503.8
Number of employees	2 506	2 215
Profit per share after tax, SEK	8.64	7.46
Shareholders' equity per share	62	62

Profitability

Return on capital employed in operations and capital employed amounted to 14.1 per cent (12.7) and 13.0 per cent (11.9) respectively. Return on shareholders' equity was 14.2 per cent (12.9).

Capital expenditure, liquidity and employees

Consolidated capital expenditure in tangible and intangible fixed assets, including from acquisitions, amounted to SEK 143.8M (87.4). Liquid funds, including unutilised bank overdraft facilities, were SEK 751.4M (503.8) at the year end. The average number of employees was 2,506 (2,215).

Cash flow, financing and equity ratio

The cash flow from current operations was SEK 495.4M (238.1). The net debt was SEK 1,483.7M (1,429.8). Shareholders' equity amounted to SEK 2,634.2M (2,618.6). The change in shareholders' equity amounted to SEK -15.6M (201.6). It included net comprehensive income for the year of SEK 218.2M (487.9) and a deduction for a dividend of SEK 212.0 (201.4) to the parent company's shareholders and a deduction of SEK 6.4M (84.9) from a minority interest and a deduction of SEK 15.7M (0) related to transactions with holders with no controlling influence. The equity ratio amounted to 43.6 per cent (46.0) at the year end.

Research and development

Research and development relating to the trading operation is mainly carried out by the suppliers.

Prospects for 2016

The stable demand, especially for refrigeration products, is expected to continue during 2016. An important underlying reason is the link to food distribution which is the largest area within which Beijer Ref's refrigeration products are sold.

During 2016, a change will be made relating to the external reporting as a new region, Asia Pacific, will be established as a result of the acquisitions of Patton, Realcold and RNA in 2015.

In the product area, additional new eco-friendly products will be launched and added to the product portfolio. This is a consequence of the fact that the environmental aspects have made a strong impact in the product development, both at Beijer Ref's suppliers and within the company's own OEM manufacturing.

The extensive logistics project, which started in 2015, will have a continued positive impact on the Group's capital tied up during 2016.

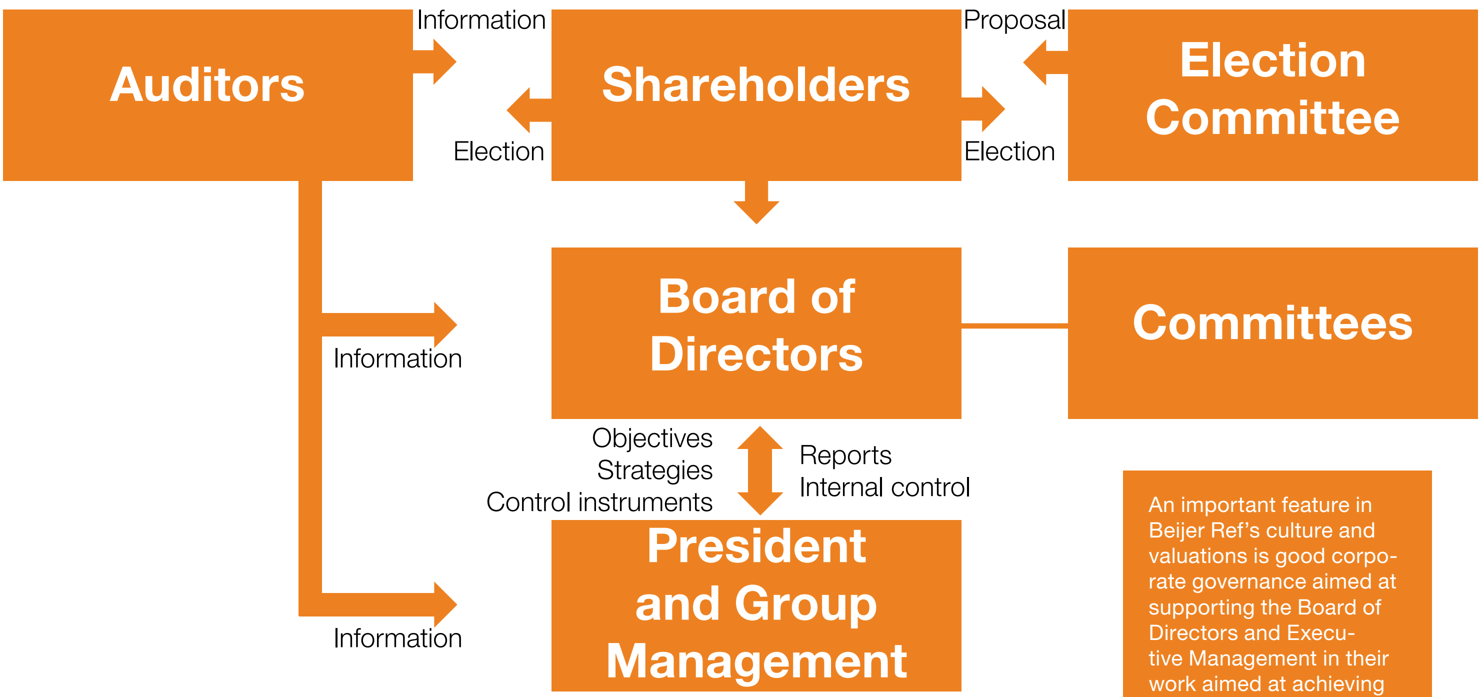
Environment

Beijer Ref strives to contribute to a sustainable development. The Group carries out operations which are liable to give notification. These comprise the handling of refrigerants. Beijer Ref is not involved in any environmental disputes. For further information about Beijer Ref's environmental work, see pages 20-21.

corporate
governance

Corporate governance and corporate responsibility

Beijer Ref is a Swedish public limited company quoted on the NASDAQ OMX Stockholm Mid-Cap list. Beijer Ref applies the Swedish Code for Corporate Governance and here submits its Corporate Governance Report for 2015. The report has been reviewed by the company's Auditor.



An important feature in Beijer Ref's culture and valuations is good corporate governance aimed at supporting the Board of Directors and Executive Management in their work aimed at achieving increased customer benefits as well as value and transparency for the shareholders.

Shareholder influence through the Annual Meeting

The shareholders' influence is exercised through participation in the Annual Meeting of shareholders which is Beijer Ref's highest decision-making body. The Meeting makes decisions about the Articles of Association and, at the Annual Meeting, the shareholders elect Board Members, the Chairman of the Board of Directors and the Auditor, and determine their remuneration. In addition, the Annual Meeting deals with resolutions on the adoption of the profit and loss account and the balance sheet, on the distribution of the company's profit and on the discharge from liability towards the company for the Board Members and the CEO. The Annual Meeting of shareholders also passes resolutions on the appointment and work of the Election Committee and takes decisions about principles for remuneration and terms of employment for the CEO and other senior executives. Beijer Ref's Annual Meeting of shareholders is generally held in April.

2015 Annual Meeting of shareholders

The 2015 Annual Meeting of shareholders was held on 9 April 2015 in Malmö. The meeting was attended by 118 shareholders, personally or through proxies. Together, they represented approximately 86 per cent of the total votes. Four shareholders, Carrier, Peter Jessen Jürgensen, Joen Magnusson and Per Bertland, together represented around 66 per cent of the votes represented at the Meeting. Bernt Ingman was elected as Chairman of the Meeting. All Board Members elected by the Meeting were present with the exception of Harald Link and Bill Striebe.

The full Minutes are published on Beijer Ref's website. The resolutions passed by the Meeting included:

• A dividend in accordance with the Board of Directors' and the CEO's proposals of SEK 5.00 per share for the 2014 financial year.
• Re-election of the Board Members: Peter Jessen Jürgensen, Bernt Ingman, Joen Magnusson, Philippe Delpech and William Striebe. Bernt Ingman was elected as Chairman of the Board of Directors.
• Election of the Board Members Monica Gimre and Frida Norrbom Sams.
• Anne-Marie Pålsson and Harald Link did not stand for re-election.
• Determination of remuneration of the Board of Directors and the Auditor.
• Principles for remuneration of, and other terms of employment for, the CEO and other Senior Executives.
• Process for the appointment and work of the Election Committee.
• Re-election of PricewaterhouseCoopers AB as the Company's Auditor for 2015.

The next Annual Meeting of Beijer Ref's shareholders will be held on 7 April 2016 in Malmö. For further information about the next Annual Meeting, see page 66 in this Annual Report.

For information about shareholders and the Beijer Ref share, see pages 8-9 and Beijer Ref's website.

Election Committee

The Election Committee represents the company's shareholders and nominates Board Members and Auditors, and proposes their remuneration.

Election Committee ahead of the 2016 Annual Meeting of shareholders

The Election Committee was appointed in October 2015. The Members of the Election Committee were appointed from the Company's largest owners and consist of: Peter Rönström (Lannebo Fonder), also Chairman of the Election Committee, Bernt Ingman (Chairman of the Beijer Ref Board of Directors), Muriel Makharine (Carrier), Johan Strandberg (SEBs fonder) and Joen Magnusson (Member of the Beijer Ref Board of Directors).

The 2015 Election Committee has held 5 (3) meetings. The Election Committee has carried out its work by evaluating the work, composition and competence of the Board of Directors.

Proposal for the 2016 Annual Meeting of shareholders

The Election Committee has worked out the following proposal to be submitted for resolution by the 2016 Annual Meeting: The Election Committee has decided to propose to the Annual Meeting of shareholders:

• the re-election as Board Members of: Peter Jessen Jürgensen, Bernt Ingman, Joen Magnusson, William Striebe, Monica Gimre and Frida Norrbom Sams
• the re-election of Bernt Ingman as Chairman of the Board of Directors
• the election of Ross B. Shuster
• the re-election of Pricewaterhouse-Coopers AB as the Company's Auditor for 2016.

Philippe Delpech will not stand for re-election.

Board of Directors

The Board of Directors has the overall responsibility for Beijer Ref's organisation and administration. In accordance with the Articles of Association, the Board of Directors shall consist of not less than four and not more than eight Members and no Deputy Members. The Board Members are elected annually by the Annual Meeting of shareholders for a term until the end of the next Annual Meeting of shareholders.

The Board of Directors' composition in 2015
In 2015, Beijer Ref's Board of Directors consisted of seven Members elected by the Annual Meeting of shareholders. The CEO attends all Board Meetings and, when required, other employees attend the Board Meetings as persons reporting on specific issues.

For further information about the Board Members, see pages 30-31 and Note 6, page 52.

The Chairman's responsibility
The Chairman is responsible for ensuring that the Board's work is well organised, carried out efficiently and that the Board of Directors fulfils its duties. The Chairman monitors the operation in a dialogue with the CEO. He is responsible for ensuring that the other Board Members receive the information and documentation necessary for high quality discussion and decisions, and monitors that the decisions of the Board of Directors are executed.

The Board of Directors' independence
The Board of Directors' assessment, which is shared by the Election Committee, relating to the Members' state of dependence in relation to Beijer Ref and the shareholders is stated in the table on pages 30-31. As the table makes clear, Beijer Ref complies with the demands of the Swedish Code for Corporate Governance that the majority of the Members elected by the Annual Meeting of shareholders are independent in relation to Beijer Ref and the Executive Management, and that at least two of these Members are also independent in relation to Beijer Ref's major shareholders.

Board of Directors' work during 2015
During 2015, the Board of Directors of Beijer Ref held six (5) Ordinary Meetings, of which one was a strategy meeting. The company's economic and financial position, as well as investment requirements, are discussed at every Ordinary Board Meeting. The work during 2015 focused extensively on matters relating to strategy and continued expansion.

The company's Auditors were present at the Board Meeting which discussed the annual accounts and a meeting held in October. Between the Board Meetings, there has been considerable contact between the company, its Chairman and other Board Members. The Board Members have also been provided with continual written information regarding the company's operations, economic and financial position, as well as other information of importance for the company.

The measures taken by the Board of Directors to monitor and ensure that the internal control is working in connection with financial reporting and reporting to the Board of Directors, include asking for in-depth information within certain areas, undertaking in depth-discussions with the parts of the Executive Management and asking for descriptions of the methods used to provide internal control in connection with reporting.

The Board of Directors has a working procedure which is determined at the Inaugural Board Meeting following the Annual Meeting of shareholders. At the same time, the Board determines instructions for the CEO.

Joen Magnusson and Peter Jessen Jürgensen participated in five Board Meetings; Bill Striebe, Monica Gimre and Frida Norrbom Sams participated in four Board Meetings; Philippe Delpech participated in three Board Meetings; and Anne-Marie Pålsson and Harald Link participated in one Board Meeting. Bernt Ingman participated in all six Board Meetings.

Evaluation of the Members of the Board of Directors and the CEO in 2015
The Chairman of the Board of Directors is responsible for the evaluation of the Board's work, including the achievements of individual Members. This takes place through an annual, structured evaluation and with ensuing discussions in the Board. Here the compiled result from the questionnaire, including comments made, is presented by reporting individual answers to each question as well as medium and standard deviation. During 2015, the evaluation has been made through a web-based Board evaluation where the Board Members individually, and anonymously, comment on statements relating to the Board as a whole, the Chairman of the Board, the CEO's work in the Board of Directors and their own efforts. Among other things, the evaluation focuses on the improvement of the Board's efficiency and focus areas as well as the need for specific competence and working methods.
The evaluation is also presented by the Chairman of the Board in the Election Committee and has formed the foundation for the proposal for Board Members and remuneration levels. In addition, the Election Committee has interviewed individual Board Members.
The Board, in addition to the above annual Board and CEO evaluation, continually evaluates the CEO's work by monitoring the operation's development towards the set targets.

Board of Directors' Committees
The Board of Directors has constituted an Audit Committee and fulfilled its tasks. The majority of the Board Members are independent in relation to the company and the Executive Management. More than one of the Members is independent in relation to the company, the Executive Management and to the company's major shareholders.

The Audit Committee held 5 (5) Meetings during 2015. The work focused mainly on:

- Accounting matters
- Review of interim reports, year-end report and annual report
- Review of reports from the company's Auditor elected by the Annual Meeting of shareholders, including the Auditor's audit plan
- Assistance in the preparation of a proposal for the Annual Meeting of shareholders' resolution about election of an Auditor.

The Board of Directors of Beijer Ref as a whole constitutes the company's Remuneration Committee and fulfils its tasks. The matter is prepared during the first Board Meeting of the year and is decided at the Board Meeting held in connection with the Annual Meeting of shareholders. The task of the Remuneration Committee includes monitoring and evaluating:

- All programmes for variable remuneration for the Executive Management
- The application of the company's guidelines for the remuneration of senior executives as well as applicable remuneration structures and remuneration levels in the company.

External Auditors
The Annual Meeting of shareholders elects the external Auditor. Beijer Ref's Auditor is the registered public accounting firm, PricewaterhouseCoopers AB, with the Authorised Public Accountants, Lars Nilsson and Cecilia Andrén Dorselius. Lars Nilsson is the auditor in charge. PricewaterhouseCoopers AB was elected by the 2015 Annual Meeting of shareholders as Beijer Ref's auditor for a term until the 2016 Annual Meeting of shareholders.

Internal audit
A limited internal control organisation exists. The function has carried out a risk assessment, compiled focus areas and carried out a self-assessment procedure with the Group's companies. A fully-developed internal audit function does not exist in the Beijer Ref Group. In accordance with the regulations in the Swedish Code for Corporate Governance, the Board of Directors in Beijer Ref AB has considered the need for a specific internal audit function. The Board has found that, in the current situation, there is no need for this organisation within the Beijer Ref Group.

The background to the standpoint is the company's risk picture as well as the control functions and control activities which are built into the company's structure. These include proactive Boards of Directors in all companies, a high level of representation by local management teams, board representation by the management at the level above, etc.

Beijer Ref has defined internal control as a process which is influenced by the Board of Directors, the Audit Committee, the CEO, the Executive Management and other staff members and which has been designed to give a reasonable assurance that Beijer Ref's targets will be reached relating to: appropriate and efficient operation; reliable reporting; and compliance with applicable laws and regulations. The Internal Control process is based on the control environment which creates discipline and gives a structure for the components in the process: risk assessment; control structures; and monitoring. For further information about internal control relating to the financial reporting, see the Internal control section. For information about risk handling, see pages 28-29.

CEO and Group Management
Per Bertland is the CEO of the Beijer Ref Group. The CEO leads Beijer Ref's current operation. The CEO is assisted by a Group Management consisting of heads of business operation, purchasing and control function.

At the 2015 year end, the Group Management consisted of seven persons.
For further information about the Group Management, see page 32-33.

Remuneration of senior executives
Senior executives consist of the CEO, CFO, COO of Beijer Ref and the COO of Beijer Ref Toshiba. The Board of Directors' proposal for the remuneration of senior executives is in line with the previous year. The remuneration consists of a fixed salary, variable salary, pension and other remuneration such as a company car. The total remuneration shall be on market terms and support the shareholders' interest by enabling the company to attract and retain senior executives. The fixed salary is renegotiated annually and takes into account the individual's area of responsibility, competence, performance and experience. The variable portion of the salary is based on financially quantifiable target fulfilment. The individual will receive a maximum amount equivalent to six months' salary. In addition to this, there is a three-year incentive scheme which can pay up to four months' salary per annum. For more detailed information, see Note 6, page 52 in this Annual Report.

Further information about corporate governance
The information published on www.beijerref.com includes:
• Previous years' corporate governance reports as from 2005
• Notice
• Minutes
• Year-End Report

Internal control
The Board of Directors' responsibility for internal control is regulated in the Swedish Companies Act and the Swedish Code for Corporate Governance.

Internal control relating to the financial reporting is aimed at giving reasonable security relating to the reliability in the external financial reporting in the form of quarterly reports, annual reports and year-end reports and to ensure that the external financial reporting is complying with legislation, applicable reporting standards and other demands on listed companies.

External control instruments
The external control instruments which form frameworks for corporate governance within Beijer Ref include:
- The Swedish Companies Act
- Swedish and international accounting legislation
- NASDAQ OMX Stockholm's rules and regulations
- The Swedish Code for Corporate Governance.

Internal control instruments
The internal binding control instruments include:
- Articles of Association
- The Board of Directors' working procedure
- Instruction for the President
- Authorisation and authority regulations
- Ethical guidelines
- Finance policy
- Finance manual
- Internal Control process
- Process for Whistle-blower

Control environment and structure
Beijer Ref is a company with a strong owner influence. The owners are represented on the Board of Directors and in executive positions within the company. Beijer Ref is decentralised in its nature and the individual companies' own organisations fulfil important functions relating to company culture and the control environment through the short decision-making routes which exist and the strong presence of local management. The legal organisation extensively coincides with the operational organisation and there are, therefore, few decision-making venues which are disengaged from the responsibilities regulated in civil law which are vested in the different legal entities. The management focus is based on the work of the Board of Directors, which is the backbone of the Executive Manage-

Risks and risk handling

The Beijer Ref Group's operations are affected by a number of external factors the effects of which on the Group's operating profit can be controlled to a varying degree. Group-wide rules and regulations, which are determined by the Board of Directors, form the foundation for the handling of these risks at different levels within the Group. The objective of these rules is to achieve an overall picture of the risk situation, to minimise negative effects on the result and to clarify responsibilities and authorities within the Group. Monitoring to ensure that the rules and regulations are complied with is made by the person responsible and is reported to the Board of Directors.

ment and goes out into the organisation's different company boards of directors. The rules and regulations which deal with company management, such as the Companies Act, form the foundation for how the Board work is carried out and, as a result of this, to the working procedures, authorities and responsibilities which are regulated through this legislation. The decisions made by the Boards of Directors are documented and carefully monitored. Senior Executives from the Group and the business area management teams are represented in Boards of Directors at the underlying organisational level and also in individual companies of significance. It is through this Board work that control activities and monitoring are decided and implemented with strong local support. Throughout the Group, the procedure applied is that, in critical matters such as important personnel matters, organisational matters, etc., the nearest manager goes to his or her manager to get support for decisions before they are made.
The principle about far-reaching decentralisation is of great importance for the different companies' feeling for their importance and for their work motivation. The distribution of responsibilities and authorities leads to a strong will to live up to these responsibilities and the ensuing expectations.

Risk assessment
Risk assessment relating to the financial reporting in Beijer Ref is aimed at identifying and evaluating the most significant risks which influence the internal control relating to the financial reporting in the Group's companies, business areas and processes. The current position is assessed and points for improvement established. The control activities are also evaluated on a continuous basis.

Monitoring
Monitoring aimed at securing the efficiency in the internal control relating to the financial reporting is made by the Board of Directors, the CEO and the Group Management. The monitoring includes the monitoring of monthly financial reports against budget and target, quarterly reports with results supplemented with written comments in the Group's companies and regions. The monitoring also includes the monitoring of observations reported by Beijer Ref's Auditor. Beijer Ref works in accordance with an annual plan, which has its starting point in the risk analysis and comprises prioritised companies, the business area and processes as well as work programme and budget.

Operating risks

The economic trend

Customer risk

Acquisitions

Agreements

Competition

Reputation

Key competence

Legal risk

Financial risks

Currency risk

Interest risk

Refinancing risk

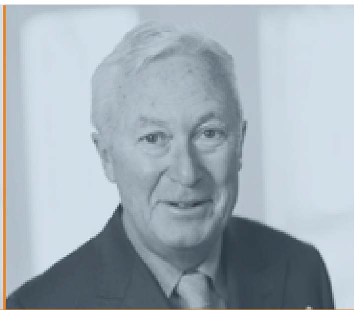
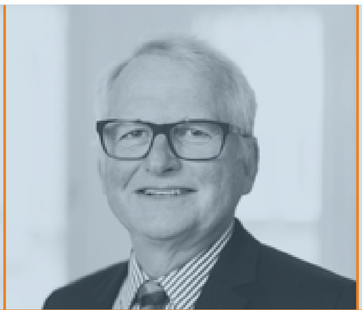
Liquidity risk

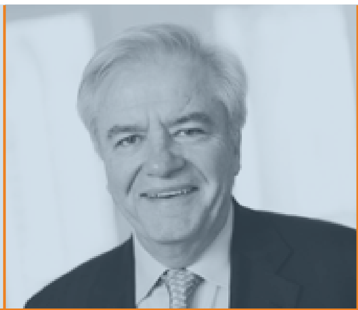
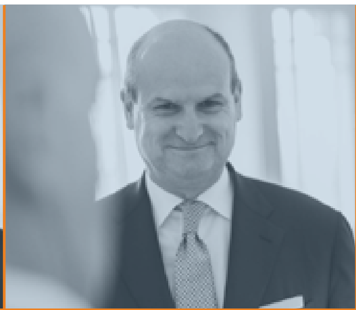
Capital risk

Risk	Handling and exposure
The Group is dependent on the general economic trend, especially in Europe, which controls demand for products and services.	The Group has a good geographic spread with sales in 32 markets in Europe, Africa, Asia and Oceania. The food sector is a frequent end customer which is less sensitivity to economic fluctuations than most other sectors.
Few customers in a small market.	The Group has a large number of customers and a broad product programme within the areas of operation which usually reduces the risks.
Acquisitions are normally linked with risks, for example staff defection.	Over time, the Group has achieved a not insignificant experience of acquisitions within the refrigeration and air conditioning sector. In addition, expert help is engaged within different partial segments such as law in order to handle the risks in different ways, for example through agreements and warranties. A large number of suppliers and a large number of customers means that staff defections, if any, constitute a limited risk.
Agency and supplier agreements, product responsibility and delivery undertaking, technical development warranties, dependency on individuals, etc.	The agreements are analysed continually and, when required, measures are taken in order to reduce the Group's risk exposure
The Group meets competition in its local markets.	All subsidiaries are well-established in their markets and successfully keep up with the local competition. In addition, there are the advantages within, for example, purchasing which have been achieved through the work with consolidating many markets.
Beijer enjoys a good reputation in its markets, locally as well as overall towards suppliers.	The different markets are worked locally and the subsidiaries normally work under their own name. The Beijer name is not vulnerable through contamination in the event of a problem in a local market. Overall, Beijer works towards suppliers, which is not vulnerable taking into consideration market risks and the risk for reduced sales.
Risk of losing individuals with key competence.	The key competence within the Group is well distributed in the organisations and the countries in which the Group operates.
Risk that local legislation is not complied with.	Every company has a functioning board of directors with a presence of individuals from Beijer's management. Through the board work, which is based on the local companies' environment and legal requirements, lies the responsibility for compliance, both locally and centrally. The local knowledge is secured through the work of the board of directors while, at the same time, the global linking and competence is present.
Beijer Ref has sales in several countries. The largest sale currencies are EUR, ZAR, GBP, NZD, AUD, SEK, CHF and NOK. Purchases are mainly made in EUR, GBP and USD.	The Group is exposed to transaction risks on acquisitions/sales and financial transactions in foreign currency. The currency exposure relates primarily to EUR and USD. Continual price adjustments are made on a par with changed purchase prices caused by, among other things, exchange rate fluctuations. On translation to the Group currency, SEK, the Group is exposed to a translation risk. This currency risk is generally not hedged. In some cases, however, an equity hedge is set up. The arisen exchange rate difference compared with the previous year is shown in Note 15. On the balance sheet date, the group had no outstanding forward exchange agreements.
The Group's financial liabilities lie in several currencies and with several durations with different interest terms.	The Group's revenues and cash flow from operations are essentially independent of changes in market interest levels. The Group has no significant interest-bearing assets. The Group partly handles the interest risk by using interest swaps with the financial significance to convert the borrowing from floating to fixed interest rates. The Group usually raises long-term loans at floating interest rates and converts them through interest swaps to fixed interest rates which are lower than if the borrowing had taken place directly at fixed interest rates. The interest swaps mean that the Group agrees with other parties to exchange, with stated intervals (usually by quarter), the difference between interest amount in accordance with the fixed contract interest rate and the floating interest amount, calculated on contracted nominal amounts. The Group has a large focus on the current trend in interest rate and the question of possibly fixing the interest is under continuous consideration by the Beijer Ref AB's Board of Directors.
The Group continually renews its financial undertakings.	The Group has continuous and close contact with its external financing sources, which mainly are banks, in order to ensure that anticipations on both future loan requirements and the financiers' view on the risk and, therefore, interest terms are communicated and reconciled.
As the Group's operation is, in part, cyclical during the year, the liquidity requirement varies.	The Group ensures that there is a prudent margin between the liquidity requirement and the limits and resources the Group has at its disposal.
The risk that some or all loans can be rolled over when they mature.	The Group's objective relating to the capital structure is to secure the Group's ability to continue its operation in order to enable it to generate a return for its shareholders whilst the capital structure is kept at an optimum in order to keep the capital costs down. In order to change the capital structure, for example, the dividend can be changed, new shares issued or assets sold to reduce the liabilities. The capital risk is measured as net debt ratio, which means interest-bearing liabilities reduced by liquid funds in relation to shareholders' equity.

board of directors

BOARD

			
	Bernt Ingman	**Joen Magnusson**	**Peter Jessen Jürgensen**
Born:	1954	1951	1949
Position:	Chairman	Board Member	Board Member
Education:	MBA	MBA	Graduate engineer and MBA in Denmark.
Elected:	2006	1985	1999
Other significant assignments:	Management Consultant. Chairman of SBC Sveriges BostadsrättsCentrum AB. Board Member of Pricer AB.	Kungliga Fysiografiska Sällskapets Ekonomiska råd and other assignments.	Chairman of Bio Aqua A/S, Profort A/S, Labotek A/S, Labotek Nordic AB, Bies Ökoproduktion Aps. Board Member of IKI Invest A/S. CEO of Labotek Deutschland GmbH.
Dependence:	No	Yes, of the largest shareholders. No, of the company and the Management.	Yes, of the largest shareholders. No, of the company and the Management.
Work experience:	CFO of Munters AB. CFO of Husqvarna AB.	Managing Director of G & L Beijer AB until 30 June 2013. Employed in Teglund Marketing AB, Statskonsult AB, Skrinet AB.	Engineer in Atlas. Work in the family company HJJ as Managing Director of the subsidiary Ajax and later as Managing Director of IKI and Managing Director of TTC in Danmark.
Shareholding in Beijer Ref 2015:	40,000 A shares 6,000 B shares	1,040,000 A shares 170,802 B shares	560,620 A shares 0 B shares
Shareholding in Beijer Ref 2014:	0 A shares 6,000 B shares	945,512 A shares 170,802 B shares	895,252 A shares 1,618,400 B shares
Presence at Board Meetings:	Board Member 6 out of 6	Board Member 5 out of 6	Board Member 5 out of 6
Remuneration 2015:	550 sek k	275 sek k	275 sek k

William Striebe	**Philippe Delpech**	**Monica Gimre**	**Frida Norrbom Sams**
1950	1962	1960	1971
Board Member	Board Member	Board Member	Board Member
Doctor of Laws degree from University of Connecticut Law School, BA in history, Fairfield University.	MBA from ESCP European School of Management, Paris, Econimics degree from INSEAD Asia, and IAE in France and graduate mechanical engineer from ENIT, France.	Master of Science in Chemical Engineering.	M. Sc. in Business Administration.
2009	2009	2015	2015
Vice President Business Development, UTC Climate, Controls & Security.	Chief Operating Officer of UTC Building & Industrial Systems - Intercontinental Operations. President of Otis Elevator Company.	VP Supply Chain Tetra Pak Processing Systems.	Board Member of Ballingslöv International AB.
Yes, of the largest shareholders. No, of the company and the Management.	Yes, of the largest shareholders. No, of the company and the Management.	No	No
Vice President, Business Development, United Technologies Building and Industrial Systems. Vice-President within legal matters for Carrier's North-American operation. Vice President with responsibility for Carrier's business development and legal matters in Europe.	Vice President, Commercial Air Conditioning & Services EMEA & General Manager Northern Europe. From 2003, Philippe Delpech held different appointments with Carrier in Asia before he returned to Europe in 2006. Before Philippe Delpech joined Carrier in 2001, he held different positions in Danfoss, ABB, and in the aerospace industry.	VP Technical Service Tetra Pak, VP Market support Tetra Pak Processing for China, South East Asia, North America and Central Europe, MD Tetra Pak Systems UK, VP Marketing & Portfolio Management Tetra Pak Processing Systems, R&D Manager Alfa Laval South East Asia.	EVP, Head of EMEA at Husqvarna Group, VP Sales and Service region 2 at Husqvarna Group, SVP & Managing Director North Europe Sanitec Oy, EVP & CIO Sanitec Oy, Senior Manager BearingPoint/Andersen Business Consulting.
0 A shares 0 B shares	0 A shares 0 B shares	0 A shares 0 B shares	0 A shares 2,000 B shares
0 A shares 0 B shares	0 A shares 0 B shares	0 A shares 0 B shares	0 A shares 0 B shares
Board Member 4 out of 6	Board Member 3 out of 6	Board Member 4 out of 6	Board Member 4 out of 6
–	–	275 sek k	275 sek k

group management


Per Bertland


Jonas Lindqvist


Simon Karlin


Yann Talhouet

Management

Per Bertland
CEO & President. Born 1957. Employed since 1990.

Education: MBA, University of Lund.

Work experience: COO of Beijer Ref, CFO of Indra AB and Ötab Sport AB within the Aritmos Group, employed in Set Audit Bureau

Shareholding 2015: 787,000 A shares, 125,000 B shares

Shareholding 2014: 585,856 A shares, 252,000 B shares

Jonas Lindqvist
CFO & Executive Vice President. Born 1962. Employed since 2004.

Education: MBA, University of Lund, EMBA Stockholm School of Economics, AMP Harvard Business School.

Work experience: VP Finance Polyclad Europe, CFO of Nolato Polymer/Medical and BMH Marine AB.

Shareholding 2015: 0 shares, 1,110 B shares

Shareholding 2014: 0 A shares, 1,110 B shares

Simon Karlin
COO & Executive Vice President, Beijer Ref ARW. Born 1968. Employed since 2001.

Education: MBA, University of Lund

Work experience: Business & Finance Director Beijer Ref, Business control Svedala Industri Group

Shareholding 2015: 0 A shares, 39,600 B shares

Shareholding 2014: 0 A shares, 39,600 B shares

Yann Talhouet
COO & Executive Vice President, Beijer Ref Toshiba HVAC. Born 1974. Employed since 2010.

Education: MA, Paris Dauphine University, MBA, Insead, Fontainebleau.

Work experience: MD of Toshiba HVAC Western Europe, Carrier Corporation. Management Consultant in A.T. Kearney.

Shareholding 2014: 0 A shares, 0 B shares

Shareholding 2014: 0 A shares, 0 B shares

Jonas Steen | Enrique Gibelli | Robert Schweig

Jonas Steen
Vice President Beijer Ref ARW, East Europe, Asia & Oceania. Born 1976. Employed since 2010.

Education: Master of Science Chemical Engineering, Business Administration, University of Lund.

Work experience: Business & Finance Manager in Beijer Ref, Business Control in Trelleborg Group.

Shareholding 2015: 0 A shares, 2,000 B shares

Shareholding 2014: 0 A shares, 2,000 B shares

Enrique Gibelli
Vice President Beijer Ref ARW, South Europe & Africa. Born 1967. Employed since 2009.

Education: Bachelor of Science in Agro Economics, Argentina. Master of Science, Purdue University, USA.

Work experience: Asgrow Seed Company, Argentina.Carrier Corporation, USA and EMEA. Beijer Ref, France.

Shareholding 2015: 0 A shares, 1,283 B shares

Shareholding 2014: 0 A shares, 1,283 B shares

Robert Schweig
Vice President Beijer Ref ARW, Procurement. Born 1958. Employed since 1990.

Education: Mechanical Engineering. NEVI Professional Procurement.

Work experience: Procurement experience in wholesale and different industries, 24 years at senior management level, within Elsmark/Danfoss, Aircool/Eriks, Delair/Atlas Copco, Royal Dutch Navy Shipyard.

Shareholding 2015: 0 A shares, 0 B shares

Shareholding 2014: 0 A shares, 0 B shares

AUDITORS

Lars Nilsson
Authorised Public Accountant, auditor in charge. Born 1965. PricewaterhouseCoopers AB. Auditor in the Beijer Group since 2012.

Cecilia Andrén Dorselius
Authorised Public Accountant. Born 1979. PricewaterhouseCoopers AB. Auditor in the Beijer Group since 2010.

financial
information

Consolidated profit and loss account

SEK K	Note	2015	2014
OPERATING INCOME			
Net sales	5	8 360 583	7 188 960
Other operating income	7	18 940	20 908
Total income		**8 379 523**	**7 209 868**
OPERATING EXPENSES			
Raw materials and necessities		-405 721	-285 109
Goods for resale		-5 419 405	-4 715 385
Other external costs	8, 9	-682 343	-599 647
Personnel costs	6	-1 234 288	-1 064 764
Depreciation and write-down of intangible and tangible fixed assets	18, 19	-69 310	-62 263
Other operating expenses		-1 342	-1 286
Operating profit		**567 114**	**481 414**
RESULT OF FINANCIAL INVESTMENTS			
Financial income	11	5 691	3 142
Financial expenses	12	-47 995	-38 022
Profit before taxes		**524 810**	**446 534**
Tax on the year's profit	14	-151 683	-122 022
Net profit for the year	15	**373 127**	**324 512**
Attributable to:			
The parent company's shareholders		366 280	316 448
Non-controlling interests		6 847	8 064
The year's profit per share, sek [1]	16	8,64	7,46
Dividend per share, sek [2]	17	5,25	5,00

1) No dilution exists
2) For 2015, in accordance with the Board of Directors' proposal

The Group's report on other comprehensive income

SEK K	Note	2015	2014
Net profit for the year		373 127	324 512
OTHER COMPREHENSIVE INCOME			
Items which will not be reversed in the profit and loss account			
Revaluation of the net pension commitment		-19 514	-6 713
Items which can later be reversed in the profit and loss account			
Exchange rate differences		-149 952	178 399
Hedging of net investment		12 655	-9 260
Cash flow hedging	3, 14	1 910	994
Other comprehensive income for the year		**-154 901**	**163 420**
Total comprehensive income for the year		**218 226**	**487 932**
Attributable to:			
The parent company's shareholders		213 841	474 828
Non-controlling interests		4 385	13 104

Consolidated balance sheet

SEK K	Note	2015-12-31	2014-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	18	1 487 978	1 461 197
Tangible fixed assets	19	276 649	273 928
Financial assets available for sale	21	85 954	85 954
Deferred tax assets	27	118 294	110 627
Trade debtors and other receivables	22	72 607	73 645
Total fixed assets		**2 041 482**	**2 005 351**
Current assets			
Inventories	23	1 982 266	1 941 052
Trade debtors and other receivables	22	1 666 548	1 499 623
Income taxes recoverable		1 898	16 410
Liquid funds	24	347 684	236 092
Total current assets		**3 998 396**	**3 693 177**
TOTAL ASSETS		**6 039 878**	**5 698 528**
SHAREHOLDERS' EQUITY			
Equity and reserves which can be attributed to the parent company's shareholders			
Share capital	25	371 685	371 685
Other contributed capital		901 172	901 172
Reserves		-237 579	-104 654
Profit brought forward		1 558 339	1 423 656
Total		**2 593 617**	**2 591 859**
Non-controlling interests	35	40 575	26 784
Total equity		**2 634 192**	**2 618 643**
LIABILITIES			
Long-term liabilities			
Borrowing	26, 31	1 285 793	1 074 410
Other long-term liabilities		38 330	25 091
Deferred tax liabilities	27	82 473	73 992
Pension commitments	28, 32	108 194	82 204
Other provisions	29	15 428	18 632
Total long-term liabilities		**1 530 218**	**1 274 329**
Current liabilities			
Trade creditors and other liabilities	30	1 379 699	1 256 921
Borrowing	26, 31	437 438	508 314
Current tax liabilities		40 017	23 643
Other provisions	29	18 314	16 678
Total current liabilities		**1 875 468**	**1 805 556**
Total liabilities		**3 405 686**	**3 079 885**
TOTAL LIABILITIES AND EQUITY		**6 039 878**	**5 698 528**
Pledged assets	31	—	1 316 557
Contingent liabilities	32	130	132

Consolidated changes in equity

SEK K	Attributable to the parent company's shareholders: Share capital	Other contributed capital	Reserves	Profit brought forward	Non-controlling interests	Total equity	Note
Shareholders' equity on 2013-12-31	**371 685**	**901 172**	**-269 747**	**1 364 827**	**49 032**	**2 416 969**	
Net profit for the year				316 448	8 064	324 512	
Revaluation of the net pension commitment				-6 713		-6 713	2
Exchange rate differences			173 359		5 040	178 399	
Hedging of net investment			-9 260			-9 260	
Cash flow hedging			994			994	
Other comprehensive income for the year	**–**		**165 093**	**-6 713**	**5 040**	**163 420**	
Total comprehensive income for the year	**–**		**165 093**	**309 735**	**13 104**	**487 932**	
Dividend for 2013				-201 357		-201 357	17
Acquisitions from holders with no controlling influence				-49 549	-35 352	-84 901	
	–	**–**	**–**	**-250 906**	**-35 352**	**-286 258**	
Shareholders' equity on 2014-12-31	**371 685**	**901 172**	**-104 654**	**1 423 656**	**26 784**	**2 618 643**	
Net profit for the year				366 280	6 847	373 127	
Revaluation of the net pension commitment				-19 514		-19 514	2
Exchange rate differences			-147 490		-2 462	-149 952	
Hedging of net investment			12 655			12 655	
Cash flow hedging			1 910			1 910	
Other comprehensive income for the year	**–**		**-132 925**	**-19 514**	**-2 462**	**-154 901**	
Total comprehensive income for the year	**–**		**-132 925**	**346 766**	**4 385**	**218 226**	
Dividend for 2014				-211 955		-211 955	17
Acquisitions from holders with no controlling influence				-128	-6 264	-6 392	
Transactions with holders with non-controlling interest					15 670	15 670	
	–	**–**	**–**	**-212 083**	**9 406**	**-202 677**	
Shareholders' equity on 2015-12-31	**371 685**	**901 172**	**-237 579**	**1 558 339**	**40 575**	**2 634 192**	

Consolidated cash flow statement

SEK K	Note	2015	2014
CURRENT OPERATIONS			
Operating profit		567 114	481 414
Adjustments for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets	18, 19	69 310	62 263
Change in pension, guarantee and other provisions		2 712	-10 607
Profit on sale of tangible fixed assets		-619	-161
Total		**638 517**	**532 909**
Paid interest	12	-41 988	-37 468
Paid income tax		-108 265	-108 912
Cash flow from current operations before changes in working capital		**488 264**	**386 529**
CHANGES IN WORKING CAPITAL			
Change in inventories		18 795	-71 702
Change in operating receivables		-99 949	-23 391
Change in operating liabilities		88 277	-53 356
Cash flow from current operations		**495 387**	**238 080**
INVESTMENT OPERATIONS			
Received interest	11	3 715	3 015
Acquisition of shares and participations		-16 247	—
Acquisition of tangible and intangible fixed assets	18, 19	-59 386	-58 986
Liquid funds in acquired operations	33	33 542	7 607
Sale of shares and participations		3 318	—
Acquisition of operations	33	-203 583	-37 604
Sale of tangible fixed assets		1 773	4 853
Cash flow from investment operations		**-236 868**	**-81 115**
FINANCIAL OPERATIONS			
Transactions with holders with non-controlling interest		-6 384	-84 901
Raising of loans		88 422	170 806
Paid dividend to shareholders		-211 955	-201 357
Cash flow from financial operations		**-129 917**	**-115 452**
Change in liquid funds		**128 602**	**41 513**
Exchange rate difference, liquid funds		-17 010	13 228
Liquid funds on 1 January		236 092	181 351
Liquid funds on 31 December	24	**347 684**	**236 092**

Parent company profit and loss account

SEK K	Note	2015	2014
OPERATING INCOME			
Other operating income	7	32 727	21 078
Total income		**32 727**	**21 078**
OPERATING EXPENSES			
Other external costs	8	-20 271	-10 487
Personnel costs	6	-26 615	-19 774
Depreciation and write-down of intangible and tangible fixed assets	18, 19	-849	-441
Operating profit		**-15 008**	**-9 624**
RESULT OF FINANCIAL INVESTMENTS			
Result of participations in Group companies and associated companies	10	127 768	223 408
Financial income	11	61 935	754
Financial expenses	12	-29 676	-6 171
Profit after financial investments		**145 019**	**208 367**
APPROPRIATIONS			
Appropriations	13	8 491	14 393
Profit before taxes		**153 510**	**222 760**
Tax on the year's profit	14	-5 252	192
Net profit for the year	**15**	**148 258**	**222 952**

Parent company's report on other comprehensive income

SEK K	2015	2014
Net profit for the year	148 258	222 952
Total comprehensive income for the year	**148 258**	**222 952**

Parent company balance sheet

SEK K	Note	2015-12-31	2014-12-31
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Capitalised expenditure for software	18	1 931	235
Total intangible fixed assets		**1 931**	**235**
Tangible fixed assets			
Buildings and land	19	2 286	—
Equipment, tools and installations	19	3 432	3 773
Total tangible fixed assets		**5 718**	**3 773**
Financial fixed assets			
Participations in Group companies	20	2 151 539	1 147 739
Deferred tax recoverable	27	—	1 353
Receivables from Group companies		434 018	200 464
Other long-term securities holdings		1 000	1 000
Total financial fixed assets		**2 586 557**	**1 350 556**
TOTAL FIXED ASSETS		**2 594 206**	**1 354 564**
CURRENT ASSETS			
Current receivables			
Receivables from Group companies		896 936	1 511 282
Other current receivables		14 808	281
Prepaid expenses and accrued income		2 195	389
Total current receivables		**913 939**	**1 511 952**
Cash and bank			
Cash and bank		—	97
TOTAL CURRENT ASSETS		**913 939**	**1 512 049**
TOTAL ASSETS		**3 508 145**	**2 866 613**
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital	25	371 685	371 685
Total restricted equity		**371 685**	**371 685**
Non-restricted equity			
Share premium reserve		901 604	901 604
Profit brought forward		229 734	238 722
Net profit for the year		148 258	222 952
Total non-restricted equity		**1 279 596**	**1 363 278**
TOTAL EQUITY		**1 651 281**	**1 734 963**
LIABILITIES			
Long-term liabilities			
Borrowing	26	1 285 556	1 050 087
Long-term interest-bearing liabilities to Group companies	26	82 215	57 912
Other long-term liabilities		1000	1 067
Total long-term liabilities		**1 368 771**	**1 109 066**
Current liabilities			
Trade creditors		765	1 013
Borrowing	26	414 066	—
Liabilities to Group companies		55 404	4 938
Tax liabilities		2 217	—
Other liabilities		547	4 709
Accrued expenses and prepaid income		15 094	11 924
Total current liabilities		**488 093**	**22 584**
TOTAL EQUITY AND LIABILITIES		**3 508 145**	**2 866 613**
Pledged assets	31	—	417 452
Contingent liabilities	32	1 847 222	1 619 435

Parent company changes in equity

SEK K	Share capital	Non-restricted equity	Total equity	Note
Equity on 2013-12-31	**371 685**	**1 341 683**	**1 713 368**	
Net profit for the year		222 952	222 952	
Total comprehensive income for the year	**—**	**222 952**	**222 952**	
Dividend for 2013		-201 357	-201 357	17
Equity on 2014-12-31	**371 685**	**1 363 278**	**1 734 963**	
Net profit for the year		148 258	148 258	
Total comprehensive income for the year	**—**	**148 258**	**148 258**	
Dividend for 2014		-211 955	-211 955	17
Merger result		-19 985	-19 985	
Equity on 2015-12-31	**371 685**	**1 279 596**	**1 651 281**	

Parent company cash flow statement

SEK K	Note	2015	2014
CURRENT OPERATIONS			
Operating profit		-15 008	-9 624
Adjustment for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets	18, 19	849	441
Profit on sale of tangible fixed assets		—	-68
Total		**-14 159**	**-9 251**
Paid interest		-28 213	-6 171
Paid income tax		-1 682	400
Cash flow from current operations before changes in working capital		**-44 054**	**-15 022**
CHANGES IN WORKING CAPITAL			
Change in operating receivables		-492 651	-5 525
Change in operating liabilities		-43 879	341
Cash flow from current operations		**-580 584**	**-20 206**
INVESTMENT OPERATIONS			
Received interest		27 519	754
Received dividend		173 455	223 408
Acquisition of shares and participations		-116 572	—
Acquisition of intangible and tangible fixed assets	18, 19	-2 069	-2 862
Sale of shares and participations		3 318	—
Sale of tangible fixed assets		—	330
Cash flow from investment operations		**85 651**	**221 630**
FINANCIAL OPERATIONS			
Raising of loans		706 791	—
Paid dividend		-211 955	-201 357
Cash flow from financial operations		**494 836**	**-201 357**
Change in cash and bank		**-97**	**67**
Cash and bank on 1 January		97	30
Cash and bank on 31 December		**—**	**97**

1 General information

Beijer Ref AB (the parent company) and its subsidiaries (together, the Group) is a technology-oriented trading Group which, through added-value products, offers competitive solutions within refrigeration and air conditioning. The product programme consists mainly of products from leading international manufacturers and, in addition, some manufacturing of our own products, combined with service and support relating to the products. The Group creates added value by contributing technical competence to the products; accounting for knowledge and experience about the market; and by providing efficient logistics and warehousing. The Group has subsidiaries in large parts of Europe and in Africa and Thailand, and from 2015 also in Australia, New Zealand and India.

The parent company is a limited company which is located and registered in Malmö, Sweden. The address to the head office is Stortorget 8, SE-211 34 Malmö.

These consolidated accounts were approved for publication by the Board of Directors on 8 March 2016.

2 Applied reporting and valuation principles

General reporting principles
These consolidated accounts have been prepared in accordance with the Annual Accounts Act, RFR 1. Supplementary reporting regulations for Groups and International Financial Reporting Standards (IFRS) and IFRIC interpretations such as they have been adopted by the EU. Standards which have been published, but which have not yet come into force are not adhered to at present.

The Annual Report for the parent company has been prepared in accordance with the Annual Accounts Act. The parent company applies the same reporting principles as the Group with the exceptions and additions stipulated by the Swedish Financial Accounting Standards Council's recommendation RFR 2, 'Reporting for legal entities'. In the parent company is reported 'Financial instruments' in accordance with the exemption in RFR 2, i.e. IAS 39 is not applied. Financial instruments are instead reported with a basis in acquisition values in accordance with the Annual Accounts Act. The reporting principles for the parent company are stated in the section 'Parent company reporting principles'. The principles have been consistently applied for all the years presented, unless otherwise stated.

Implementation of new reporting principles
New and amended standards applied by the Group
None of the IFRS or IFRIC interpretations, which for the first time are obligatory for the financial year that started in January 2015, have had any significant impact on the Group.

New standards and interpretations of existing standards which have not yet been applied prematurely by the Group
In the preparation of the consolidated accounts at 31 December 2015, several standards and interpretations have been published which have not yet come into force. Below follows the standards and pronouncements which could have an influence on Beijer Ref's financial reports:

IFRS 9 'Financial instruments' handles classification, valuation and reporting of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces parts of IAS 39 which handles classification and handling of financial instruments. The standard shall be applied for financial years which start in January 2018, however an earlier application is permitted. The Group has not yet evaluated the effects of the introduction of the standard.

IFRS 15 'Revenue from contracts with customers' regulates how reporting of revenues shall be made. The principles on which IFRS 15 are based shall give users of financial reports more usable information about the company's revenues. The Group will evaluate the effects of the introduction of the standard.

IFRS 16 "Lease" a new leasing standard which will replace IAS 17. The standard demands that assets and liabilities attributable to all leasing agreements, with some exceptions, are reported in the balance sheet. This reporting is based on the approach that the lessee has a right to use an asset during a specific period and, at the same time, an obligation to pay for this right. The reporting for the lessor will essentially be unchanged. The standard is applicable for financial years starting on 1 January 2019 or later. The Group has not yet evaluated the effects of IFRS 16.

None of the other IFRS or IFRIC interpretations, which have not yet come into force, are expected to have any significant influence on the Group.

Conditions on the preparation of the Group's financial reports
The parent company's functional currency is SEK, which is also the reporting currency for both the parent company and the Group. All amounts stated have been rounded up or down to the nearest thousand unless otherwise stated.

The reporting principles applied in the preparation of these consolidated accounts are stated below. These principles have been applied consistently for all the years presented unless otherwise stated.

Consolidated accounts
Subsidiaries
Subsidiaries are all companies over which the Group has a controlling interest. The Group controls a company when it is exposed to, or has the right to, a variable return from its investment in the company and has the opportunity to influence the return through its influence in the company.

Subsidiaries are included in the consolidated accounts from the date on which the controlling interest is transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling interest ceases.

Acquisition accounting is used for reporting the Group's acquisitions of subsidiaries.

The acquisition of a subsidiary consists of the actual value of transferred assets, liabilities and the shares issued by the Group. The consideration also includes the actual value of all assets or liabilities which are a consequence of an agreement about conditional consideration. Conditional considerations are classified either as equity or financial liability depending on whether it is settled with an equity instrument or cash and is reported initially at actual value. Revaluations relating to conditional considerations, which are reported in subsequent periods, are reported either as an equity instrument or financial liability with revaluation to actual value over the profit and loss account.

Acquisition-related costs are written off when they arise. Identifiable acquired assets and liabilities taken over in a business combination are initially valued at actual values on the date of acquisition. For every acquisition, the Group determines if all holdings with non-controlling interest in the acquired company are reported at actual value or at the holding's proportional share of the net assets of the acquired company. The amount by which the purchase price, holding with non-controlling interest and actual value on the date of acquisition of previous shareholdings exceeds the actual value of the Group's share of identifiable acquired net assets is reported as goodwill or as other intangible asset. If the amount is less than the actual value of the acquired subsidiary's net assets, such as in the event of a 'bargain purchase', the difference is reported direct in the profit and loss account.

Intra-Group transactions and balance sheet items, as well as unrealised profits on transactions between Group companies, are eliminated. Unrealised losses are also eliminated unless the transaction constitutes evidence that there is a need for a write-down in respect of the transferred asset. Where applicable, the reporting principles for subsidiaries have been changed to guarantee a consistent application of the Group's principles.

Transactions with holders with non-controlling interest
Transactions with holders with non-controlling interest are treated as transactions with the Group's shareholders. On acquisitions from holders with non-controlling interest, the difference between paid consideration and the actual acquired proportion of the reported value of the subsidiary's net assets is reported in shareholders' equity. Gains and losses on divestments to holders with no controlling influence are also reported in shareholders' equity.

When the Group no longer has a controlling or significant interest, every remaining holding is revalued at actual value and the change in reported value is reported in the profit and loss account. The actual value is used as the first reported value and forms the foundation for the continued reporting of the remaining holding as associated company, joint venture or financial asset. All amounts relating to the divested unit, which have previously been reported in other total results, are reported as if the Group had directly divested the pertaining assets or liabilities. This can result in amounts which have previously been reported in other total results being reclassified to profit or loss.

Reporting for segments
An operating segment is a part of the Group which carries out an operation from which it can generate revenues and incur costs and for which independent financial information is available. The Group's operation is split into operating segments based on how the company's highest executive decision maker, i.e. the President, monitors the operation. In 2015, the Group had the following operating segments: Southern Europe, the Nordic countries, Central Europe, Eastern Europe, A&A, (Africa and Asia) and Oceania. For further description of the regions, see page 13.

Classification, etc
Fixed assets and long-term liabilities consist essentially only of amounts which are expected to be recovered or paid after more than twelve months calculated from the balance sheet date. Current assets and current liabilities consist essentially only of amounts which are expected to be recovered or paid within twelve months calculated from the balance sheet date.

Valuation principles, etc
Assets and liabilities have been valued at their acquisition value unless it is otherwise stated below.

Intangible assets
Intangible assets acquired by the company are reported at their acquisition value less accumulated depreciation and write-downs with the exception of what relates to goodwill and intangible assets with an indefinite useful life which is reported at acquisition value less accumulated write-downs. Additional expenditure for an intangible asset is added to the acquisition value only if it increases future financial benefits. All other expenditure is written off as it arises. Depreciation is based on acquisition values less residual values, if any. Depreciation is made in a straight line over the period of use of the asset and is reported as a cost in the profit and loss account. The residual values and period of use is tested on every balance sheet date and adjusted when required.

Research and development
Expenditure for research and development is reported as costs as it arises. Costs arisen in development projects (which applies to the design and testing of new or improved products) are reported as intangible assets when the following criteria are fulfilled:
(a) it is technically possible to complete the intangible asset so that it can be used,
(b) the Executive Management intends to complete the intangible asset and use or sell it,
(c) there are conditions for using or selling the intangible asset,
(d) it can be shown how the intangible asset will generate probable future financial benefits,
(e) adequate technical, financial or other resources for completing the development and for using or selling the intangible asset are available, and
(f) the expenditure attributable to the intangible asset during its development can be calculated in a reliable way.

Research and development expenditure which has previously been reported as a cost is not reported as an asset in the ensuing period. Research and development expenditure which has been capitalised is written off in a straight line from the date when the asset is ready for use. The amortisation is made over the anticipated period of use. However, this is not for more than five years.

Goodwill
Goodwill consists of the amount by which the acquisition value exceeds the actual value on the Group's share of the acquired subsidiary's identifiable net assets on the date of acquisition. Goodwill on acquisition of subsidiaries is reported as intangible assets. Goodwill is tested annually in order to identify any needs for a write-down and is reported at acquisition value less accumulated write-down. Write-down of goodwill is not reversed. Profit or loss on the divestment of a unit includes the remaining net value of the goodwill that refers to the divested unit.

Goodwill is distributed on cash-generating units on an assessment of any need for a write-down. Cash-generating units are the regions, Southern Europe, the Nordic countries, Central Europe, Eastern Europe, A&A and Oceania, which are the same as those identified as operating segments.

Amortisation periods, Intangible assets:

	Group	Parent company
Acquired intangible assets:		
Computer programs	3-5 years	3 years
R & D	5 years	—
Agencies	40 years	
Customer lists	10-20 years	—

The portion which consists of ”Agencies” relates to an exclusive and time-unlimited distribution right of a world-leading manufacture (Toshiba). There is a significant value in the right to sell Toshibas air-conditioning and heating products and its European organisation, which has been made into an integrated part of Beijer Ref. Toshiba, is an organisation with a long history and a strong market position in several areas, also outside the refrigeration and air conditioning sectors. The management's best judgement is that a useful life of 40 years best corresponds to an approximation of the period during which the asset generates future financial advantages.

Tangible assets
Tangible fixed assets are reported as assets in the balance sheet when, based on available information, it is probable that the future economic use linked with the holding accrues to the Group/company and that the acquisition value of the asset can be calculated in a reliable way. Tangible fixed assets are reported at acquisition value with a deduction for depreciation. Depreciation is based on acquisition values less estimated residual value. Depreciation is made in a straight line over the estimated use of the asset. The assets' residual values and period of use are tested on every balance sheet date and adjusted when required.

The following depreciation periods are applied:

	Group	Parent company
Buildings	25-50 years	—
Land improvements	20 years	—
Machinery and other technical plant	5-10 years	—
Equipment, tools and installations	3-10 years	3-10 years

Additional expenditure is added to the reported value of the asset or is reported as a separate asset, depending on which is appropriate, only when it is probable that future financial benefits linked with the asset will accrue to the Group and the acquisition value of the asset can be measured in a reliable way. All other forms of repair and maintenance are reported as costs in the profit and loss account during the period in which they arise.

Profits and losses on divestment are determined by a comparison between the sales proceeds and the reported value and are reported in 'Other operating income' or 'Other operating expenses'.

Write-down of non-financial assets
Assets which have an indefinite period of use are not written off but are tested annually relating to the need for write-down, if any. Assets which are written off are assessed with regard to depreciation whenever events or changes in conditions indicate that the reported value is not recoverable. A write-down is made with the amount by which the reported value of the asset exceeds its recovery value. The recovery value is the higher of an asset's actual value less selling expenses and the value of use. When assessing the need for a write-down, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

When calculating the value of use, future cash flows are discounted at an interest rate after tax which is intended to take into account the market's evaluation of risk-free interest and risk linked with the specific asset. An asset which is dependent on other assets is not considered to generate any independent cash flows. Such an asset is, instead, assigned to the smallest cash-generating unit in which the cash flows can be determined.

A write-down is reversed if there has been a change in the calculations applied to determine the recovery value. A reversal is only made to the extent that the reported value of the asset would have been if no write-down had been made. On every balance sheet date, an examination is made to establish if reversal should be made.

Financial assets
The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss; loans and receivables; financial instruments held to maturity; and financial assets available for sale. The classification is dependent on the objective for which the instruments were acquired. The Executive Management determines the classification of the instruments at the first reporting. In the 2015 Annual Report there are financial assets of the loans and receivables, and financial assets available for sale categories.

Loans and receivables are non-derivative financial assets with determined or determinable payments which are not listed in an active market. The characteristic is that they arise when the Group provides money, products or services direct to a customer with no intention of trading with the arisen receivable. They are included in current assets, with the exception of items with a due date of more than 12 months after the balance sheet date, which are classified as fixed assets. The Group's loans and receivables consist of 'Trade debtors and other receivables', and 'Liquid funds' in the balance sheet.

Financial assets available for sale are assets which are not derivatives and where the assets have been identified as that they cannot be sold or have not been classified in any of the other categories. They are included in fixed assets unless it is the intention of the management to divest the asset within 12 months after the end of the reporting period.

Acquisitions and sales of financial instruments are reported on the transaction date, i.e. the date on which the Group undertakes to acquire or sell the asset. Financial instruments valued at actual value via the profit and loss account are initially reported at actual value whilst attributable transaction costs are reported in the profit and loss account. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has either expired or been transferred and the Group has transferred virtually all risks and benefits linked with the ownership. Loans and receivables are reported after the date of acquisition at accrued acquisition value by application of the effective rate method. Financial assets available for sale are initially reported at actual value and in subsequent periods, if it is possible to determine, otherwise the valuation is made at acquisition value. When securities classified as financial assets available for sale are sold or written down, accumulated adjustments of actual value are transferred from shareholders' equity to financial income/expense in the profit and loss account. Dividend on share instruments available for sale is reported in the profit and loss account as a part of financial income/expense. There is one exemption in the standard which states that if actual value for financial assets available for sale cannot be determined, these instruments shall be reported at acquisition value.

Write-downs of financial assets
At the end of every reporting period, the Group assesses if there is objective evidence that there is a need for write-down in respect of a financial asset or a group of financial assets. A financial asset or group of financial assets has a need for write-down and is written down only if there is objective evidence for a need for write-down as a consequence of the fact that one or several events have occurred after the asset has been reported the first time and that this event has an influence on the estimated future cash flows for the financial asset or group of financial assets which can be estimated in a reliable way.

Write-down for financial assets in the loans and receivables category is calculated as the difference between the reported value of the asset and the current value of estimated future cash flows discounted at the original effective rate. If the need for write-down decreases in a subsequent period and the decrease can be attributable to an event which occurred after the write-down was reported, the reversal of the previously reported write-down is reported in the consolidated profit and loss account. When it concerns an own-capital instrument classified as financial assets available for sale, a significant or prolonged fall in actual value for an instrument to a level below its acquisition value is taken into consideration as evidence that there is a need for write-down. If such evidence exists for financial assets available for sale, the accumulated loss – calculated as the difference between the acquisition value and actual value, with a deduction for previous write-downs, if any, which have been reported in the profit and loss account – is removed from shareholders' equity in the balance sheet and reported in the profit and loss account. Write-downs of equity instruments, which have previously been reported in the profit and loss account, are not reversed over the profit and loss account.

Inventories
Inventories are entered at the lower of acquisition value and net sales value. The acquisition value is calculated in accordance with the 'first-in, first-out' principle or in accordance with weighted average prices. Weighted average prices are applied in those units in the Group where a variation in the price of goods is deemed to be significant. In semi-finished or finished products of the company's own manufacture, the acquisition value consists of direct manufacturing costs, such as direct material and payroll expenses, and a reasonable proportion of indirect manufacturing costs. On valuation, normal capacity utilisation has been taken into account. Loan costs are not included. The net sales value is the estimated sales price in the current operations with a deduction for applicable variable selling expenses.

Trade debtors
Trade debtors are initially reported at actual value and, thereafter, at accrued acquisition value by application of the effective rate method, less a provision for depreciation, if any. A provision for depreciation of trade debtors is made when there is objective evidence that the Group will not be able to receive all amounts which have fallen due in accordance with the original terms of the receivables. Significant financial difficulties of the debtor; the probability that the debtor will become bankrupt or go through financial reconstruction, and non-payments or delayed payments, are regarded as indications that a need for the write-down of a trade debtor could exist. The size of the provision consists of the difference between the reported value of the asset and the current value of estimated future cash flows, discounted by the original effective rate. The reserved amount is reported in the item 'Other external costs' in the profit and loss account. When a trade debtor cannot be recovered, it is written off. Recovery of previously written off amounts is credited to 'Other external costs' in the profit and loss account.

Liquid funds
Liquid funds comprise cash and immediately available bank balances.

Share capital
Ordinary shares are classified as shareholders' equity. When a Group company buys the parent company's shares (buy-back of own shares), the purchase price paid, including directly attributable transaction costs (net after tax), if any, reduces profit brought forward until the shares are cancelled or divested. If these shares are later divested, the amounts received (net after directly attributable transaction costs and tax effects, if any) are reported in profit brought forward.

Trade creditors
Trade creditors are initially reported at actual value and, thereafter, at accrued acquisition value by application of the effective rate method.

Borrowing
Borrowing is initially reported at actual value, net after transaction costs. Thereafter, borrowing is reported at accrued acquisition value and the difference, if any, between the amount received (net after transaction costs) and the repayment amount is reported in the profit and loss account, distributed over the loan period, by application of the effective rate method.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Taxes
Total tax consists of current tax and deferred tax. Taxes are reported in the profit and loss account except where the underlying transaction is reported as a component in 'Other comprehensive income' or directly against shareholders' equity. In such instances, the tax is also reported in 'Other comprehensive income' and shareholders' equity respectively. Current tax is tax calculated on taxable profit for the period. To this also belongs adjustment of current tax attributable to previous periods.

Deferred tax is calculated in accordance with the balance sheet method on all temporary differences between reported and fiscal values on assets and liabilities. However, the deferred tax is not reported if it arises as a result of a transaction which constitutes the first reporting of an asset or liability which is not an acquisition of an operation and which affects neither reported nor fiscal results on the date of acquisition. Deferred income tax is calculated by application of tax rates (and tax legislation) which have been decided or announced as per the balance sheet date and which are anticipated to apply when the deferred tax assets are realised or the deferred tax liability is settled. In the consolidated accounts, on the other hand, untaxed reserves are divided into deferred tax liability and shareholders' equity.

Deferred tax assets are reported to the extent it is likely that future fiscal surpluses will be available, against which the temporary differences can be utilised. Deferred tax is calculated on temporary differences which arise on participations in subsidiaries, except where the date for reversal of the temporary difference can be controlled by the Group and it is likely that the temporary difference will not be reversed in the foreseeable future.

Provisions (with the exception of deferred tax)
A provision is reported in the balance sheet when the company has a formal or informal commitment as a consequence of an event that has occurred and it is probable that an outflow of resources will be required to settle the commitment and a reliable estimate of the amount can be made.

The provisions are valued at the current value of the amount that can be expected to be required to settle the commitment. In this connection, a discount rate before tax is applied which reflects a current market valuation of the time-dependent value of money and the risks linked with the provision. The increase in the provision which is due to the fact that time passes is reported as an interest expense.

Guarantee reserve
A provision is reported when the underlying product or service has been sold. The guarantee provision is calculated on the basis of previous years' guarantee expenditure and of forecast future guarantee commitments.

Restructuring reserve
A provision is reported when a detailed restructuring plan has been adopted and the restructuring has either started or been announced publicly.

Remuneration of employees
Pension commitments
The Group's pension costs are reported in full under the heading remuneration of employees in the profit and loss account.

In defined contribution plans, the company pays fixed contributions to a separate legal entity and has no commitment to pay additional contributions. The Group's profit is charged for costs as the benefits are earned.

In defined benefit pension plans there is stated the amount for the pension benefit an employee receives after retirement. This is usually based on one or several factors such as age, period of service and salary. The Group carries a risk of ensuring that the payments undertaken are made. The defined benefit pension plans are both funds invested in various pension plans and floating debts. Where the funds are invested, the assets which belong to the plans are separated from the Group's assets in externally managed funds. These managed assets can only be used to pay benefits in accordance with the pension agreements.

In the balance sheet is reported the net of the calculated current value of the commitments and the actual value of the managed assets, either as a provision or a long-term financial receivable. Where a surplus in the plan cannot be utilised in full, only the portion of the surplus which the company can recover through reduced contributions or repayments is reported. Set-off against a surplus in a plan against a deficit in another plan is only made if the company has the right to utilise a surplus in one plan to regulate a deficit in another plan, or if the commitments are intended to be settled on a net basis.

The pension cost and the pension commitment for the defined benefit pension plans is calculated in accordance with the projected unit credit method. The method distributes the cost for pensions in step with the employees carrying out services for the company which increase their right to future compensation. The company's commitment is based on calculations by independent actuaries. The commitment consists of the current value of the anticipated future payments. The actuarial calculations are based on assumptions about discount rates, anticipated return on plan assets, future salary increases, inflation and demographic conditions. The most important actuarial assumptions are stated in Note 28.

When determining the current value of the commitment and the actual value of the managed assets, actuarial profits and losses could arise. These arise either because the actual outcome is different from the previous assumption or because assumptions change. The actuarial profits and losses are reported direct in other comprehensive income as they arise. Costs for previous employment are reported immediately. Interest expenses and the anticipated return on plan assets is reported net as an income/expense by applying the discount rate, which is used to discount the pension commitment included in the consolidated pension provision. Costs for the year's earning and net income/expense are reported in the operating result.

Commitments for retirement pension and family pension for salaried employees in Sweden are secured through insurance in Alecta. This is a defined benefit plan which comprises several employers. As the Group has not had access to information which makes it possible to report this scheme as a defined benefit plan, this plan is, therefore, reported as a defined contribution plan.

Payments on termination of employment
A provision in connection with termination of employment of staff is only reported if the company is demonstrably obliged to end an employment before the normal date or when payments are made as an offer to encourage voluntary termination. When the company needs to make staff redundant, a detailed plan is prepared which contains at least work location, positions and the approximate number of people involved, as well as payments for each staff category or position and the time for the implementation of the plan.

Variable remuneration
Variable remuneration of Senior Executives is reported in Note 6. The variable remuneration is decided annually by the Beijer Ref AB Board of Directors and can amount to not more than six months' salary. In addition, there is a three-year incentive scheme which can give up to four months' salary per annum. The variable remuneration is based on qualitative and quantitative target fulfilment. Otherwise, variable remuneration of employees in addition to senior executives exists only to a limited extent. Remuneration is reported in the period when the legal commitment arises.

Revenues
Revenue recognition is made in the profit and loss account when it is probable that the future financial benefits will accrue to the company and these benefits can be calculated in a reliable way. The revenues include only the gross inflow of financial benefits the company receives or can receive on its own account. Income on sale of goods is reported as income when the company has transferred the significant risks and benefits linked with the ownership of the goods and the company does not exercise any real control over the goods sold. The revenues are reported at the actual value of what has been received or will be received with a deduction for VAT, made discounts and returned goods. Income from services is reported in the period they have been carried out. The criteria for revenue recognition are applied to each transaction per se. Payments in the form of interest, commission and dividend are reported as income when it is probable that the financial benefits linked with the transaction accrue to the company and that they can be calculated in a reliable way. Interest income is reported as revenue distributed over the duration by application of the effective rate method. Dividend income is reported when the right to receive payment has been determined.

Leasing – lessees
In the consolidated accounts, leasing is classified either as financial or operational leasing. Financial leasing exists when the financial risks and benefits linked with the ownership have been essentially transferred to the lessee. If this is not the case, it is a matter of operational leasing. Operational leasing means that the leasing charge is written off over the duration with the use as a starting point, which can differ from what has de facto been paid as a leasing charge during the year. No significant financial lease contracts exist. See Note 9.

Hedge reporting
The Group applies hedge reporting for financial instruments aimed at hedging the following financial risks: future commercial cash flows in future interest payments relating to the Group's borrowing and net investments in operations abroad. When the transaction is entered into the relation between the hedging instrument and the hedged item is documented or the transaction as well as the objective of the risk handling and the strategy for taking different hedging actions. The Group also documents its assessment, both at the start of the hedging and current, as to whether the derivative instruments used in the hedging transaction are effective with regard to mitigating changes in actual value or cash flow for hedged items.

Hedgings are designed to ensure that they can be expected to be effective. Changes in actual value for derivative instruments which do not meet the conditions for hedge reporting are reported immediately in the profit and loss account. The Group raises interest derivatives to hedge the desired interest level on the Group's net debt. Amounts to be paid or received in accordance with interest derivatives are reported on a current basis as interest income or interest expense. Changes in actual value on the hedging instrument are reported in the total result until the maturity date. An ineffective part, if any, is reported immediately in the profit and loss account. If the borrowing and, therefore, future interest payments no longer exist, the accumulated profit or loss reported in the total result is immediately transferred to the profit and loss account.

Translation of foreign currency
Functional currency and reporting currency
Items included in the financial reports for the different units in the Group are valued in the currency used in the financial environment in which the respective company mainly operates (functional currency). In the consolidated accounts SEK is used, which is the parent company's functional currency and reporting currency.

Transactions and balance sheet items
Transactions in foreign currency are translated into the functional currency in accordance with the exchange rates applicable on the date of transaction. Exchange gains and losses, which arise on payment of such transactions and on the translation of monetary assets and liabilities in foreign currency at the balance sheet date rate, are reported in the profit and loss account.

Group companies
Results and financial position for all Group companies (none of which have a high inflation currency), which have functional currency other than the reporting currency, are translated into the Group's reporting currency as follows:

- assets and liabilities for each balance sheet are translated at the balance sheet date rate,
- income and expenses for each profit and loss account are translated at the average exchange rate and
- all exchange rate differences which arise are reported as a separate component in 'Other comprehensive income'.

On consolidation, the year's exchange rate differences, which arise as a result of translation of net investments in foreign operations and of borrowing and other currency instruments which have been identified as hedgings of such investments, are reported as a component in 'Other comprehensive income' and accumulated among reserves in shareholders' equity. On the divestment of a foreign operation, such exchange rate differences are reported as a part of the capital gain/loss in the profit and loss account.

Goodwill and adjustments of actual value which arise on the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the balance sheet date rate. The arisen exchange rate differences are reported as a separate component in 'Other comprehensive income'.

Dividends
Dividend to the parent company's shareholders is reported as liability in the Group's financial reports in the period when the dividend is approved by the parent company's shareholders.

Related parties transactions
Information about the Board of Directors', the President's and other senior executives' salaries and other remuneration, costs and obligations relating to pensions and similar benefits, agreements made relating to severance pay is outlined in Note 6. Other transactions with related parties appear in Note 34.

Parent company reporting principles

The parent company's financial reports have been prepared in accordance with the Annual Accounts Act and RFR 2. Financial instruments are reported on accordance with the exception in RFR 2, i.e. IAS 39 is not applied. Financial instruments are instead reported with a basis in acquisition values in accordance with the Annual Accounts Act.

In its financial reports, the parent applies the company International Financial Reporting Standards (IFRS) which have been approved by the EU when this is possible within the framework of the Annual Account Act and taking into account the relationship between reporting and taxation.

Subsidiaries
In the parent company's accounts are reported participations in subsidiaries at acquisition value with a deduction for write-downs, if any. As dividend from subsidiaries is only reported a dividend received from profits earned after the acquisition.

Group contributions
Group contributions which the parent company receives from subsidiaries are reported as appropriations.

3 Financial risk handling

Financial risks
Through its operations, the Group is exposed to a large number of different financial risks, inclusive of the effects of changes in prices in the loan and capital markets, exchange rates and interest rates. The Group's overall risk-handling programme focuses on the unpredictability in the financial markets and strives to minimise potential unfavourable effects on the Group's results. The risk handling is managed by a central finance department (Group Finance) in accordance with principles approved by the Board of Directors. Group Finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operational units. The Board of Directors formulates principles for both the overall risk handling and for specific areas such as currency risks, interest risks, and investment of surplus liquidity.

Financial instruments by category in the Group

The reporting principles for financial instruments have been applied as below:

31/12 2015	Loan receivables and trade debtors	Financial assets available for sale	Total
Assets in the balance sheet			
Financial assets available for sale		85 954[1)]	85 954
Trade debtors and other receivables	1 739 155		1 739 155
Liquid funds	347 684		347 684
Total	2 086 839	85 954	2 172 793

	Other financial liabilities	Total
Liabilities in the balance sheet		
Bank loans	1 293 905	1 293 905
Bank overdraft facilities	429 326	429 326
Trade creditors and other liabilities	1 379 699[2)]	1 379 699
Total	3 102 930	3 102 930

1) See Note 21.
2) Includes hedging instruments amounting to 1,293 valued in accordance with level 2 which after tax amounts to 1,008, of which the year's influence on comprehensive income amounts to 1,910.

31/12 2014	Loan receivables and trade debtors	Financial assets available for sale	Total
Assets in the balance sheet			
Financial assets available for sale		85 954[1)]	85 954
Trade debtors and other receivables	1 573 268		1 573 268
Liquid funds	236 092		236 092
Total	1 809 360	85 954	1 895 314

	Other financial liabilities	Total
Liabilities in the balance sheet		
Liabilities to credit institutions	1 099 807	1 099 807
Bank overdraft facilities	482 917	482 917
Trade creditors and other liabilities	1 256 921[2)]	1 256 921
Total	2 839 645	2 839 645

1) Financial assets available for sale are valued in accordance with level 3. See Note 21.
2) Includes hedging instruments amounting to 3,741 valued in accordance with level 2 which after tax amounts to 2,918, of which the year's influence on comprehensive income amounts to 994.

Market risk

Currency risks

The Group is exposed to transaction risks on acquisitions/sales and financial transactions in foreign currency. The majority of the sales are made in the local currency of the respective subsidiary, only around two per cent (3) is made in another currency whilst approximately 22 per cent (23) of purchases are made in a currency other than the respective local currency. The currency exposure relating to purchases is primarily in EUR and USD. In order to handle these risks, quotations and price lists usually contain a currency clause and continual price adjustments are made on a par with changed purchasing prices caused by, among other things, exchange rate fluctuations.

A weakened SEK of 10 per cent against the EUR relating to product transactions involves a change in the profit margin of approximately -1.0 (-0.9) percentage points. The correspondent weakening against the USD gives a change in the profit margin of -0.4 (-0.3) percentage points.

On translation to the Group currency, SEK, the Group is exposed to a translation risk. This type of currency risk is not hedged. In some cases, however, an equity hedge is set up. The arisen exchange rate difference compared with the previous year is shown in Note 15. On the balance sheet date, the Group had no outstanding forward exchange agre-ements of a significant nature for which actual value shall be reported. The effect of an SEK strengthened by 10 per cent against all currencies would influence the operating result by SEK -55M (-46) but only give a marginal percentage effect on the operating margin.

Interest risks

The Group's revenues and cash flow from operations are essentially independent of changes in market interest levels. The Group has no significant interest-bearing assets. The Group has a large focus on the current trend in interest rate and the question of possibly fixing the interest rate is under continuous consideration by the Beijer Ref AB's Board of Directors. Based on total borrowing in accordance with Note 26 at balance sheet date, an increase in the interest rate of one percentage point would result in an increased interest expense of SEK 17.2M (15.8) for the Group.

Credit risk

The Group has no significant concentration of credit risks. The Group adapts itself to local conditions in the respective market and works with local knowledge in order to ensure that sales of products are made to customers with an appropriate credit background. Due to the fact that the Group has of a large number of customers and transactions, the credit risk is kept at a low level.

Liquidity risk

The handling of liquidity risks is made with prudence as the starting point. This involves maintaining sufficient liquid funds, available financing and sufficient agreed bank overdraft facilities. On the balance sheet date, liquid funds including unutilised bank overdraft facilities totalled SEK 751.4M (503.8). In addition, there are limits granted by the Group's banks to cover the working capital requirement which may arise. Further information is presented in Note 26.

Below is shown the Group's duration analysis of the liabilities which are classified as financial liabilities. The amounts stated are in contractual undiscounted cash flows.

Capital risk

The Group's objective relating to the capital structure is to secure the Group's ability to continue its operation in order to enable it to generate a return for its shareholders, whilst the capital structure is kept at an optimum in order to keep the capital costs down. In order to change the capital structure, for example, the dividend can be changed, new shares issued or assets sold to reduce the liabilities.

The capital risk is measured as net debt ratio, which means interest-bea-ring liabilities reduced by liquid funds in relation to shareholders' equity.

Group	**2015**	**2014**
Interest-bearing liabilities	1 831 425	1 664 928
Liquid funds	-347 684	-236 092
Net debt	1 483 741	1 428 836
Shareholders' equity	2 634 192	2 618 643
Net debt ratio	0.56	0.55

Duration analysis 2015-12-31 **Financial instruments**	**0-3 months**	**3-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**> 5 years**
Borrowing inclusive of interest payments	15 170	7 051	29 345	17 566	1 732 063	
Trade creditors and other long-term liabilities	910 786	77 508	52 946	23 186	17 925	11 370
Total	**925 956**	**84 559**	**82 291**	**40 752**	**1 749 988**	**11 370**

Duration analysis 2014-12-31 **Financial instruments**	**0-3 months**	**3-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**> 5 years**
Borrowing inclusive of interest payments	3 145	2 823	48 957	1 565 030	1 522	
Trade creditors and other long-term liabilities	937 187	102 727	38 651	12 471	25 091	0
Total	**940 332**	**105 550**	**87 608**	**1 577 501**	**26 613**	**0**

4 Important estimates and assessments for reporting purposes

The Corporate Management and the Board of Directors make assessments and assumptions about the future. These assessments and assumptions influence reported assets and liabilities, as well as revenues and costs, and other given information. These assessments are based on historic experiences and the different assumptions deemed to be reasonable under current circumstances. Conclusions drawn by these means form the foundation for decisions relating to reported values of assets and liabilities where these cannot be determined through other information. Areas which include such assessments and assumptions which can significantly influence the Group's result and financial position include:

- The examination of the need for a write-down of goodwill and other assets with an indefinite useful life: The need for a write-down of goodwill is examined annually in connection with the annual accounts or as soon as changes indicate that a need for a write-down should exist, such as a changed business climate or a divestment or closure of an operation. A write-down is made if the reported value exceeds the estimated value in use. See also Note 2 and Note 18. The Group's goodwill amounts to approximately 38 per cent of the Group's equity.

- Other tangible and intangible assets are reported at acquisition value with a deduction for accumulated depreciation and write-downs, if any. Intangible assets with an indefinite useful life are included in the annual examination of the need for a write-down, see above. Depreciation is made over the estimated useful life down to an assessed residual value. The reported value of the Group's fixed assets is examined as soon as changed circumstances show that there is a need for a write-down. The value in use is measured as anticipated future discounted cash flow, primarily from the cash-generating unit to which the asset belongs but, in specific cases, also in relation to individual assets. An examination of the reported value of an asset also arises in connection with a decision having been taken about a close-down. The asset is taken up at the lowest of the reported value and the actual value after a deduction for selling expenses. Tangible and intangible assets except goodwill amount to approximately 29 per cent of the Group's equity.

- Calculation of deferred tax asset and tax liability respectively: Assessments are made to determine both current and deferred tax assets or liabilities, especially with regard to deferred tax assets. In this connection, the likelihood that the deferred tax assets will be utilised for settlement against future taxable profits is assessed. The actual value of these future taxable profits can differ with regard to future business climate and earning capacity or changed fiscal regulations. See also Note 27.

5 Reporting for segments

Operating segment

The Group's operation is split into operating segments based on how the company's highest executive decision maker, i.e. the President, monitors the operation. The highest executive decision maker monitors the operation based on the following segments: Southern Europe, the Nordic countries, Central Europe, Eastern Europe, A & A and Oceania. The segments reporting for the regions contains the profit and loss account up to and including operating profit, working capital, depreciation and investments. The working capital included inventories, trade debtors and trade creditors and is based on an average of the four quarters of the year. Investments are reported in the segment where the asset is found and consists of the year's investments, including investments from acquisition of companies. Undistributed costs in the table below represent Group-wide costs.

12 months sek m	**Southern Europe**		**Central Europe**		**Nordic Countries**		**Eastern Europe**		**A&A**		**Oceania**		**Group**	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales	3 519.5	3 047.3	2 246.6	2 096.0	1 447.8	1 357.5	343.1	319.0	1 034.1	833.6	439.1	—	9 030.2	7 653.4
Internal sales	-315.4	-247.3	-177.3	-136.6	-84.5	-73.7	-14.1	-6.8	-47.1	0.0	-31.2	—	-669.6	-464.4
Net sales	**3 204.1**	**2 800.0**	**2 069.3**	**1 959.4**	**1 363.3**	**1 283.8**	**329.0**	**312.2**	**987.0**	**833.6**	**407.9**	**—**	**8 360.6**	**7 189.0**
Result by operation	224.3	174.3	93.9	114.5	153.7	142.5	23.2	25.8	92.1	76.0	27.3	—	614.5	533.1
Undistributed costs													-47.4	-51.7
Operating profit	**224.3**	**174.3**	**93.9**	**114.5**	**153.7**	**142.5**	**23.2**	**25.8**	**92.1**	**76.0**	**27.3**	**—**	**567.1**	**481.4**
Financial income													5.7	3.1
Financial expenses													-48.0	-38.0
Tax													-151.7	-122.0
Net profit													**373.1**	**324.5**
OTHER INFORMATION														
Working capital	962.3	923.1	645.7	605.7	422.3	412.5	139.9	138.0	373.7	325.6	172.7	—	2 716.6	2 404.9
Depreciation	16.9	19.6	27.7	22.0	16.0	15.5	3.7	2.7	3.0	2.5	2.0	—	69.3	62.3
Investments	15.6	16.2	23.6	22.3	12.4	14.0	1.9	2.9	3.0	3.6	2.9	—	59.4	59.0

Sales in Sweden amount to approximately SEK 341M (319). The individually significant country is France where sales amount to approximately SEK 2,035M (1,811). Total fixed assets reduced by deferred tax assets and financial instruments amount to SEK 49M (50) in Sweden. The individually significant countries are France and Switzerland where total fixed assets reduced by deferred tax assets and financial instruments amount to SEK 465M (491) and SEK 287M (269) respectively.

6 Employees and remuneration of employees

Average number of employees	2015		2014	
Parent Company	Total	of whom men	Total	of whom men
Sweden	10	60%	5	60%
Total in Parent Company	**10**	**60%**	**5**	**60%**
Subsidiaries	Total	of whom men	Total	of whom men
France	483	97%	471	97%
South Africa	383	86%	393	87%
United Kingdom	208	77%	189	69%
Italy	180	82%	180	81%
The Netherlands	170	79%	169	81%
Spain	120	75%	116	73%
Sweden	85	82%	95	85%
Norway	112	88%	110	89%
Switzerland	76	75%	82	73%
Denmark	74	78%	70	89%
Thailand	115	81%	65	31%
Germany	61	87%	51	82%
Poland	41	83%	40	83%
Finland	39	79%	38	79%
Hungary	30	80%	28	79%
Romania	24	67%	23	70%
Belgium	21	86%	20	85%
Czech Republic	12	83%	12	83%
Mozambique	9	78%	9	78%
Ghana	2	100%	—	—
Estonia	7	86%	8	88%
Ireland	11	73%	10	80%
Lithuania	7	71%	7	71%
Latvia	7	86%	7	71%
Zambia	5	100%	5	80%
Botswana	5	60%	5	60%
Slovakia	4	75%	4	75%
Namibia	4	100%	3	100%
New Zealand	91	79%	—	—
Australia	76	90%	—	—
India	17	100%	—	—
Malaysia	17	55%	—	—
Total in subsidiaries	**2496**	**69%**	**2210**	**79%**
Total Group	**2506**	**69%**	**2215**	**79%**

Salaries, other remuneration and social costs (sek k)	2015			2014		
	Salaries & other remuneration	Social costs	Total remuneration of employees	Salaries & other remuneration	Social costs	Total remuneration of employees
Parent company	18 459	9 463	27 922	13 040	6 734	19 774
of which pension costs [1]		3 587	3 587		2 033	2 033
Subsidiaries	951 890	202 988	1 154 878	777 432	186 067	963 499
of which pension costs		57 266	57 266		48 630	48 630
Group	**970 349**	**212 451**	**1 182 800**	**790 472**	**192 801**	**983 273**
of which pension costs [2]		**60 853**	**60 853**		**50 663**	**50 663**

1) Of the parent company's pension costs, SEK 1,116K (1,119) relate to the Board of Directors and the President.
2) Of the Group's pension costs, SEK 5,322K (5,726) relate to the Board of Directors and the President.

Benefits for senior executives

For 2015, a directors' fee of SEK 550K was paid to the Chairman and SEK 275K to each of the other Board Members with the exception of Board Members employed in the UTC group, to whom no remuneration has been paid. The Board consists of five men and two women (six men and one woman). The CEO, Per Bertland, has received a salary, remuneration and other benefits amounting to SEK 6,487K (6,787), including a bonus payment of SEK 1,688K (2,244). An annual amount equivalent to 26 per cent of his gross salary is appropriated to a pension insurance scheme. The pension solution is contribution-based. The retirement age for the CEO is 65. Where notice of termination is given by the company, the CEO will receive 24 months' salary and the company will pay a pension insurance premium of 26 per cent. Notice of termination by the CEO is six months and does not trigger any severance pay. On new employment, there is no deduction of severance pay. A bonus payment is decided annually by the Board of Directors and can amount to up to six months' salary. In addition, there is a three-year incentive scheme which can give up to four months' salary per annum. The bonus payment is based on qualitative and quantitative target fulfilment.

The Group's other senior executives, consists of three men (six men). Other senior executives consist of the CFO, the COO of Beijer Ref ARW and the COO of Beijer REF TOS. For further information about the senior executives, see pages 30-31. They received salary, remuneration and other benefits amounting to SEK 8,094K (13,106) including bonus payments of SEK 2,052K (3,296). Pension solutions to two of the senior executives are contribution-based and amount to 24 per cent of gross salary. The third senior executive has a defined benefit pension solution, the terms of which are based on rules and regulations in France. Where notice of termination is given by the by the company, the senior executives receive 12 months' salary.

The Board of Directors handles matters relating to remuneration of the senior executives on CEO and Executive Vice President level. The Board, as a whole, constitutes the Remuneration Committee. However, the CEO does not participate in decisions relating to his own remuneration. The matter is prepared during the first Board Meeting of the year and decided at the Board Meeting held in connection with the Annual Meeting of shareholders.

7 Other operating income

Group	2015	2014
Rents	3 815	5 264
Exchange gains	5 166	2 042
Capital gain	348	649
Commission	1 648	136
Other	7 963	12 817
Total	**18 940**	**20 908**

Parent company		
Group revenues	31 622	19 757
Rent	948	—
Exchange gains	113	68
Other	44	1 253
Total	**32 727**	**21 078**

8 Remuneration of auditors

Group	2015	2014
PwC		
Audit assignment	8 320	7 830
Audit business in addition to audit assignment	200	270
Tax consultancy	660	578
Other services	3 102	1 173
Total	**12 282**	**9 851**
Other auditors		
Audit assignment	1 205	305
Tax consultancy	310	—
Total	**1 515**	**305**
Total	**13 797**	**10 156**

Parent company

PwC		
Audit assignment	820	1 020
Audit business in addition to audit assignment	200	270
Tax consultancy	61	117
Other services	521	447
Total	**1 602**	**1 854**

9 Lease contracts

Group	2015	2014
The year's leasing cost	147 725	141 087
Leasing charge which falls due		
- within 1 year	142 494	104 681
- within 1-5 years	294 638	231 361
- later than 5 years	79 039	94 060

The above amounts mainly relate to operational lease contracts for premises, but leasing charges for cars, trucks and office equipment are also included. The lease contracts run with customary index clauses and the car contracts run with normal interest terms.

10 Results of participations in Group companies

Group	2015	2014
Dividends received, Group companies	173 455	223 408
Capital result from sold participations in Group companies	-12 929	—
Write-down of participations in Group companies	-32 758	—
Total	**127 768**	**223 408**

11 Financial income

Group	2015	2014
Interest income	2 946	2 996
Exchange gain	1 976	127
Other financial income	769	19
Total	**5 691**	**3 142**

Parent company		
Interest income, Group companies	27 515	709
Interest income, external	4	45
Exchange gain	34 416	—
Total	**61 935**	**754**

12 Financial expenses

Group	2015	2014
Interest expenses	-40 855	-36 743
Exchange loss	-6 007	-554
Other	-1 133	-725
Total	**-47 995**	**-38 022**

Parent company		
Interest expenses, Group companies	-1 361	-1 129
Interest expenses, external	-26 852	-4 933
Other	-1 463	-109
Total	**-29 676**	**-6 171**

13 Appropriations

Parent company	2015	2014
Group contribution	8 447	14 393
Difference between book depreciation and depreciation according to plan		
– Equipment, tools and installations	44	—
Total	**8 491**	**14 393**

14 Tax on the year's profit

Parent company	2015	2014
Current tax	-138 727	-114 783
Deferred tax (Note 27)	-12 956	-7 239
Tax on the year's profit	**-151 683**	**-122 022**

Reconciliation of effective tax		
Profit before taxes	524 810	446 534
Tax expense calculated according to actual tax rate, 22% (22%)	-115 458	-98 237
Effect of different tax rates	-31 932	-5 226
Non-deductible costs	-15 049	-20 688
Non-taxable income	4 552	4 205
Tax attributable to previous years	1 084	-1 420
Reported loss carry forward	4 146	1 364
Other	974	-2 020
Net effective tax	**-151 683**	**-122 022**
Effective tax rate	28,9%	27,3%

Deferred tax expense in other comprehensive income amounts to SEK 7,044K (-517) and relates to cash flow hedging -539K (-281) and pension provisions 7,583K (-236).

Parent company		
Current tax	-3 899	—
Deferred tax (Note 27)	-1 353	192
Tax on the year's profit	**-5 252**	**192**

Reconciliation of effective tax		
Profit before taxes	153 510	222 760
Tax expense calculated according to actual tax rate, 22% (22%)	-33 772	-49 007
Non-deductible costs	-10 113	-232
Non-taxable income	38 160	49 431
Reported loss carry forward	473	—
Net effective tax	**-5 252**	**192**
Effective tax rate	3,4%	-0,1%

15 Currency effect in result

Parent company	2015	2014
Currency effect in operating profit	5 166	2 042
Currency effect in financial income and expenses	-4 029	-427
Currency effect in profit after tax	**1 137**	**1 615**

Parent company		
Currency effect in operating profit	113	—
Currency effect in financial income and expenses	34 416	-109
Currency effect in profit after tax	**34 529**	**-109**

16 Profit per share

	2015	2014
Profit attributable to the parent company's shareholders	366 280	316 448
Weighted average number of outstanding shares	42 391 030	42 391 030
Profit per share, sek *	8,64	7,46

*) No dilution exists

17 Dividend per share

Dividends paid during 2015 and 2014 amounted to SEK 211,955K (SEK 5.00 per share) and SEK 201,357K (4.75 per share) respectively.

A dividend of SEK 5.25 per share for 2015, SEK 222,553K in total, will be proposed at the Annual Meeting of shareholders on 7 April 2016.

18 Intangible fixed assets

CAPITALISED EXPENDITURE FOR SOFTWARE

Group		
Accumulated acquisition values	**2015**	**2014**
On 1 January	115 721	102 964
Acquisitions during the year	11 630	5 847
Acquisition of companies	1 910	—
Divestments and disposals	-11	-73
Reclassification	1 336	964
The year's translation differences	-4 345	6 019
Total	**126 241**	**115 721**
Accumulated amortisation		
On 1 January	-90 010	-76 730
The year's amortisation	-8 848	-8 657
Acquisition of companies	-1 415	—
Divestments and disposals	11	—
The year's translation differences	3 379	-4 623
Total	**-96 883**	**-90 010**
RESIDUAL VALUE	29 358	25 711

CAPITALISED EXPENDITURE FOR RESEARCH AND DEVELOPMENT, ETC

Group		
Accumulated acquisition values	**2015**	**2014**
On 1 January	4 329	3 269
Acquisitions during the year	533	891
The year's translation differences	-62	169
Total	**4 800**	**4 329**
Accumulated amortisation		
On 1 January	-1 940	-1 713
The year's amortisation	-375	-191
The year's translation differences	-19	-36
Total	**-2 334**	**-1 940**
RESIDUAL VALUE	2 466	2 389

AGENCIES AND CUSTOMER LISTS

Group		
Accumulated acquisition values	**2015**	**2014**
On 1 January	523 209	519 445
Acquisitions during the year	661	—
Acquisition of companies	7 522	—
The year's translation differences	-3 282	3 764
Total	**528 110**	**523 209**
Accumulated amortisation		
On 1 January	-53 290	-38 731
The year's amortisation	-14 416	-13 853
Acquisition of companies	-645	—
The year's translation differences	661	-706
Total	**-67 690**	**-53 290**
RESIDUAL VALUE	460 420	469 919

GOODWILL

Group		
Accumulated acquisition values	**2015**	**2014**
On 1 January	963 178	854 172
Acquisition of companies	61 294	27 421
The year's translation differences	-28 738	81 585
RESIDUAL VALUE	995 734	963 178

The recoverable amount for a cash-generating unit is determined based on calculations of value of use. These calculations are based on estimated future cash flows which, in turn, are based on financial budgets approved by the Executive Management for the immediate year. Thereafter, estimates have been made by the business area's management, which have been approved by the Executive Management, and which cover a five-year period. Cash flows beyond the five-year period are calculated based on maintained profitability and no growth. The most important variables for the calculation of value of use are operating margin and growth. These are estimated based on sector experience and historic experience.

The discount rate before tax has been determined with the aid of current tools for the calculation of the yield requirements on capital and the weighted average of the yield requirement on the company's total capital. The discount rate has been adapted to the respective segment based on an overall assessment consisting of operating margin and size of segment. The discount rate varies from 7.27 per cent (7.93) up to a maximum of 8.27 per cent (8.93). Calculated on the recoverable amount, it demonstrates a prudent safety margin of 39-165 per cent (28-70) in addition to the recorded value per segment.

Sensitivity analyses have been made for all segments. These show a prudent margin between recoverable values and book values. The sensitivity analysis shows that an increase in the discount rate by one percentage point gives a margin between the recovery value and the book value per segment of 22-137 per cent (10-55). A sensitivity analysis relating to growth shows that at 0 per cent growth leads to a reduction in the recovery value of two per cent (7). On a sensitivity analysis of the operating margin with minus one percentage point per segment, it gives a margin in the range of 17-120 per cent (5-50).

The calculations show that there is no need for a write-down.

GOODWILL PER SEGMENT	**2015**	**2014**
Nordic countries	391 818	410 004
Central Europe	208 520	191 140
Southern Europe	253 423	262 609
Eastern Europe	10 135	10 483
A&A	80 157	88 942
Oceania	51 681	—
Total	**995 734**	**963 178**

TOTAL INTANGIBLE FIXED ASSETS

Group		
Accumulated acquisition values	**2015**	**2014**
On 1 January	1 606 437	1 479 850
Acquisitions during the year	12 824	6 738
Acquisition of companies	70 726	27 421
Divestments and disposals	-11	-73
Reclassification	1 336	964
The year's translation differences	-36 427	91 537
Total	**1 654 885**	**1 606 437**
Accumulated amortisation		
On 1 January	-145 240	-117 174
The year's amortisation	-23 639	-22 701
Acquisition of companies	-2 060	—
Divestments and disposals	11	—
The year's translation differences	4 021	-5 365
Total	**-166 907**	**-145 240**
RESIDUAL VALUE	1 487 978	1 461 197

CAPITALISED EXPENDITURE FOR SOFTWARE

Parent company		
Accumulated acquisition values	**2015**	**2014**
On 1 January	1 991	1 821
Acquisitions during the year	2 011	170
Total	**4 002**	**1 991**
Accumulated amortisation		
On 1 January	-1 756	-1 587
The year's amortisation	-315	-169
Total	**-2 071**	**-1 756**
RESIDUAL VALUE	1 931	235

19 Tangible fixed assets

BUILDINGS AND LAND

Group

Accumulated acquisition values	**2015**	**2014**
On 1 January	226 245	215 436
Acquisitions during the year	1 238	2 745
The year's translation differences	-7 736	8 064
Total	**219 747**	**226 245**
Accumulated depreciation		
On 1 January	-98 136	-89 663
The year's depreciation	-5 391	-4 254
The year's translation differences	2 299	-4 219
Total	**-101 228**	**-98 136**
RESIDUAL VALUE	118 519	128 109

MACHINERY AND OTHER TECHNICAL PLANT

Group

Accumulated acquisition values	**2015**	**2014**
On 1 January	84 594	76 180
Acquisitions during the year	6 657	8 159
Acquisition of companies	5 886	—
Divestments and disposals	-637	-2 013
Reclassification	-183	18
The year's translation differences	-6 758	2 250
Total	**89 559**	**84 594**
Accumulated depreciation		
On 1 January	-55 940	-50 837
The year's depreciation	-5 914	-5 130
Acquisition of companies	-1 218	—
Divestments and disposals	637	1 198
Reclassification	183	-18
The year's translation differences	4 007	-1 153
Total	**-58 245**	**-55 940**
RESIDUAL VALUE	31 314	28 654

EQUIPMENT, TOOLS AND INSTALLATIONS

Group

Accumulated acquisition values	**2015**	**2014**
On 1 January	429 876	375 962
Acquisitions during the year	38 142	38 888
Acquisition of companies	19 413	2 989
Divestments and disposals	-7 914	-15 922
Reclassification	406	166
The year's translation differences	-9 860	27 793
Total	**470 063**	**429 876**
Accumulated depreciation		
On 1 January	-314 414	-273 890
The year's depreciation	-34 366	-30 178
Acquisition of companies	-8 312	-1 981
Divestments and disposals	6 759	12 118
Reclassification	-492	18
The year's translation differences	6 648	-20 501
Total	**-344 177**	**-314 414**
RESIDUAL VALUE	125 886	115 462

CONSTRUCTION IN PROGRESS

Group	**2015**	**2014**
On 1 January	1 703	313
Accrued expenses during the year	525	2 456
Reclassification	-1 250	-1 148
The year's translation differences	-48	82
RESIDUAL VALUE	930	1 703

TOTAL TANGIBLE FIXED ASSETS

Group

Accumulated acquisition values	**2015**	**2014**
On 1 January	742 418	667 891
Acquisitions during the year	46 562	52 248
Acquisition of companies	25 299	2 989
Divestments and disposals	-8 551	-17 935
Reclassification	-1 027	-964
The year's translation differences	-24 402	38 189
Total	**780 299**	**742 418**
Accumulated depreciation		
On 1 January	-468 490	-414 390
The year's depreciation	-45 671	-39 562
Acquisition of companies	-9 530	-1 981
Divestments and disposals	7 396	13 316
Reclassification	-309	—
The year's translation differences	12 954	-25 873
Total	**-503 650**	**-468 490**
RESIDUAL VALUE	276 649	273 928

EQUIPMENT, TOOLS AND INSTALLATIONS

Parent company

Accumulated acquisition values	**2015**	**2014**
On 1 January	—	—
Additional through merger	5 875	—
Total	**5 875**	**—**
Accumulated depreciation		
On 1 January	—	—
The year's depreciation	-125	—
Additional through merger	-3 464	—
Total	**-3 589**	**—**
RESIDUAL VALUE	2 286	—

EQUIPMENT, TOOLS AND INSTALLATIONS

Parent company

Accumulated acquisition values	**2015**	**2014**
On 1 January	4 435	2 118
Acquisitions during the year	58	2 692
Additional through merger	1 089	—
Divestments and disposals	—	-375
Total	**5 582**	**4 435**
Accumulated depreciation		
On 1 January	-662	-503
The year's depreciation	-409	-272
Additional through merger	-1 079	—
Divestments and disposals	—	113
Total	**-2 150**	**-662**
RESIDUAL VALUE	3 432	3 773

20 Participations in Group companies

Parent company	2015	2014
Book value	2 151 539 [1]	1 147 739

Specification of the parent company and the Group holdings of shares and participations in Group companies

Owned by the parent company	Company ID No.	Registered office	Direct share of capital, % [2]	Indirect share of capital, % [2]	Book value 2015	Book value 2014
G & L Beijer Förvaltning AB	556020-8935	Malmö	100		7 418	7 418
G & L Beijer Ref AB (merged into the parent company during 2015)	556046-6087	Malmö	100		—	417 452
GFF SA	552130296	Lyon	100		611 643	611 643
Delmo SA	49360517	Villeurbaunne	100		111 226	111 226
Kylma AB	556059-7048	Solna	100		7 637	
Fastighets AB Asarum 40:196	556072-3289	Malmö	100		11 551	
SCM Ref AB	556546-2412	Alvesta	100		2 480	
Clima Sverige AB	556314-6421	Ängelholm	100		500	
H. Jessen Jürgensen AB	556069-2724	Gothenburg	100		360	
G & L Beijer A/S	56813616	Ballerup	100		142 552	
OY Combi Cool AB	5999255	Helsinki	100		561	
Schlösser Möller Kulde AS	914492149	Oslo	100		14 292	
Ecofrigo AS	894871172	Moss	100		27 322	
Børresen Cooltech AS	918890025	Oslo	100		7 811	
Külmakomponentide OÜ	10037180	Tallinn	100		325	
Max Cool SIA	344341	Riga	100		29	
UAB Beijer Ref, Lithuania	1177481	Vilnius	100		2 836	
Coolmark B.V.	24151651	Barendrecht	100		84 284	
Uniechemie B.V.	8032408	Apeldoorn	100		27 667	
Werner Kuster AG	280.3.001.874-3	Frenkendorf	100		27 716	
Charles Hasler AG	020.3.911.192-5	Regensdorf	100		140 252	
Dean & Wood Ltd	467637	Leeds	100		109 153	
RW Refrigeration Wholesale Ltd	3453694	Leeds	100		6 548	
DWG Refrigeration Wholesale Ltd	299353	Dublin	100		5 159	
Equinoxe Kft	01-09-163446	Budapest	100		5 409	
Beijer Ref Romania s.r.l.	J35-2794-29	Timisoara	100		3 127	
Beijer Ref Slovakia s.r.o	36551856	Nové Zámky	100		0	
Beijer Ref Czech s.r.o	16734874	Plzen	100		1 161	
ECR Italy SpA	728980152	Milan	100		28 797	
Frigoram Commerciale SpA	7202290156	Milan	100		30 805	
SCM Frigo S.p.A.	04342820281	Padua	100		143 038	
ECR Belgium BVBA	0807.473.926	Aartselaar	100		23 200	
Beijer ECR Iberica S.L	ES B85608925	Madrid	100		20 669	
Cofriset	961500261	Lyon	100		163 101	
Beijer Ref Deutschland GmbH	HRB195155	Munich	100		120 227	
Metraclark South Africa (Pty) Ltd	2008/016731/07	Johannesburg	100		173 097	
Beijer B.Grimm (Thailand) Ltd	105537024313	Bangkok	49		8 366	
Beijer Ref Holdings Ltd, NZ	5654928	Auckland	100		81 220	
Beijer Ref Holdings AU Pty Ltd	607082379	Victoria	100		0	
Owned by the Group						
H. Jessen Jürgensen A/S	16920401	Ballerup		100		
Armadan A/S	16920436	Ballerup		100		
BKF-Klima A/S	18297094	Ballerup		100		
TT-Coil A/S	19509519	Ballerup		100		
Air-Con A/S	49360517	Ebeltoft		100		
FK Teknik A/S	276988808	Højbjerg		100		
TT-Coil Norge AS	947473697	Mysen		100		
ECR Nederland B.V.	17014719	Nuenen		100		
Paulus Schweiz AG	280.3.017.001-9	Frenkendorf		100		
Phoenix Racks (Pty) Ltd	1999/025734/07	Centurion		100		
Subcosec (Pty) Ltd	2010/013657/07	Pretoria		100		
Metraclark LDA	100248697	Cidade de Maputo		100		
Metraclark Refrigeration and AC Wholesalers Namibia (Pty) Ltd	2008/992	Windhoek		100		
Scotcool Refrigeration Wholesales (Pty) Ltd	2003/5506	Gabarone		100		
Metraclark (Zambia) Limited	109483	Lusaka		51		
Eurocool (Pty) Ltd	2013/128289/07	Johannesburg		100		
TFD SNC	534687306	Saint Priest		100		
Beijer Ref Polska Sp.z o.o	206476	Warszaw		100		
G & L Beijer AB	556076-3442	Malmö		100		
G & L Beijer Ltd	SC38231	Glasgow		100		
SCM Ref SAS, France	811242882 R.C.S.	Lyon		100		
RNA Malaysia	224933-A	Kuala Lumpur		60		
Patton Ltd	92864	Auckland		100		
RealCold NZ Ltd	5735187	Auckland		100		
Patton Aero	0115550008521	Samutprakarn provine		100		
Patton Beijer Ref Australia Pty Ltd	133913283	Victoria		100		
Patton Refrigeration (India) Pvt Ltd	U29191DL2007PTC170816	New Delhi		100		
Beijer Ref RealCold Pty Ltd	607086948	Victoria		100		
Mcdalea Pty Ltd	145801298	New South Wales		60		
Metjak Pty Ltd	120512610	Western Australia		60		
AC & Ref Parts CQ Pty Ltd	126029472	Queensland		60		
Total Group					**2 151 539**	**1 147 739**

1) During the year, the parent company has been merged with G & L Beijer Ref AB and, as a result, has increased the direct holding in Group companies by SEK 936,235K. In addition, acquisitions of SEK 81,220K, shareholder contributions of SEK 19,103 and write-downs of SEK 32,758K have changed the holding of participations in Group companies.
2) Share of capital corresponds with share of vote for the total number of shares, with the exception of Beijer B. Grimm (Thailand) Ltd where share of vote amounts to 51 per cent.

21 Financial assets available for sale

	2015	2014
Balance on 1 January	85 954	80 782
Exchange rate differences	0	5 172
Balance on 31 December	**85 954**	**85 954**

The book value of holdings in unlisted shares amounts to SEK 86M (86). The total holding consists of two parts. SEK 26M relates to an 18 per cent holding in a Spanish refrigeration wholesale company. It has not been possible to calculate the actual value of these securities at 31 December 2015 in a reliable way and the valuation has, therefore, been made at the Group's acquisition value.

SEK 61M of the holding relates to a 44 per cent holding in the UK company, HRP. An agreement about an option to acquire the remaining part of the company in 2016 was entered into in November 2015, see note 36. The existing holding and the option right are together valued at SEK 61M, which is equivalent to the actual value.

None of the financial assets are deemed to be in need of a write-down. Financial assets available for sale are expressed in SEK.

22 Trade deptors and other receivables

Group	**2015**	**2014**
Trade debtors	1 394 679	1 278 673
Prepaid expenses and accrued income	115 750	116 857
Other receivables	228 726	177 737
Total	**1 739 155**	**1 573 267**
Minus long-term portion	-72 607	-73 644
Short-term portion	1 666 548	1 499 623

All long-term receivables mature within five years of the balance sheet date. Actual value of trade debtors and other receivables correspond with reported values. There is no concentration of credit risks relating to trade debtors as the Group has a large number of customers who, in addition, are spread internationally.

Age analysis	**2015**	**2014**
Non-matured receivables	1 012 232	962 016
Receivables due between 1-30 days	273 133	218 113
Receivables due between 31-60 days	61 653	58 294
Receivables due between 61-90 days	28 397	21 189
Receivables due >90 days	112 583	103 855
Total	**1 487 998**	**1 363 467**

Provisions for doubtful receivables	**2015**	**2014**
Balance on 1 January	84 797	78 576
Costs for bad debt losses	-17 512	-10 991
Allocated during the period	26 054	17 212
Balance on 31 December	**93 339**	**84 797**

23 Inventories

Group	**2015**	**2014**
Raw materials and supplies	68 740	82 833
Work-in-progress	21 774	24 866
Finished products and goods for resale [1)]	1 890 539	1 832 412
Advances to suppliers	1 213	941
Total inventories	**1 982 266**	**1 941 052**
1) Of which reported to net sales value	35 357	35 527

24 Liquid funds

Liquid funds in the Group consist of cash and bank and amounted to SEK 347,684K (236,092).

25 Share capital

Number of shares	**2015**	**2014**
A shares with number of votes 10	3 306 240	3 306 240
B shares with number of votes 1	39 171 990	39 171 990
Total	**42 478 230**	**42 478 230**
Shares in own custody	-87 200	-87 200
Number of outstanding shares	**42 391 030**	**42 391 030**

Each share has a nominal value of SEK 8.75.

26 Borrowing

Group	2015	2014
Long-term		
Bank loans	1 285 793	1 074 410
Total long-term	**1 285 793**	**1 074 410**
Current		
Bank overdraft facilities	429 326	482 917
Bank loans	8 112	25 397
Total current	**437 438**	**508 314**
Total borrowing	**1 723 231**	**1 582 724**

Parent Company	2015	2014
Long-term		
Bank loans	1 285 556	1 050 087
Long-term liabilities to Group companies	82 215	57 912
Total long-term	**1 367 771**	**1 107 999**
Current		
Bank overdraft facilities	414 066	—
Total current	**414 066**	**—**
Total borrowing	**1 781 837**	**1 107 999**

The Group's borrowing by currency is as follows:

	2015	2014
EUR	873 202	1 023 789
SEK	368 850	196 633
GBP	197 658	169 029
NZD	150 520	—
CHF	70 341	70 396
PLN	25 854	33 186
NOK	17 041	45 927
DKK	-6 144	-11 258
THB	18 309	32 786
Other currencies	7 600	22 236
Total	**1 723 231**	**1 582 724**

The Parent Company's borrowing by currency is as follows:

	2015	2014
EUR	946 163	872 201
SEK	368 850	125 000
GBP	197 658	—
NZD	150 520	—
CHF	70 341	48 736
PLN	25 854	33 186
NOK	7 585	5 258
DKK	-6 144	—
THB	14 677	16 404
Other currencies	6 333	7 214
Total	**1 781 837**	**1 107 999**

During the year, the Group has signed a new financial agreement which runs until November 2019. The financial agreement includes all long-term bank loans and the majority of the reported overdraft facility. Of the current liabilities not included in the Group's financial agreement, the bank loans fall due within three months and the overdraft facilities are extended by three months at a time.

All long-term loans are payable in full at maturity and run with a variable interest rate. All reported amounts for borrowing form a good approximation of their fair value.

All financial conditions, which we are obliged to report in accordance with the financial agreement, were fulfilled on 31 December 2015.

27 Deferred tax

	Amount on 2014 01-01	Acqui-sitions/ Divest-ments	Reported over the profit and loss account	Reported in other compre-hensive income	Trans-lation diffe-rences	Amount on 2014 12-31	Acqui-sitions/ Divest-ments	Reported over the profit and loss account	Reported in other compre-hensive income	Trans-lation diffe-rences	Amount on 2015 12-31
Group											
Deferred tax asset:											
Fixed assets	2 187		-806		198	1 579	288	-723		40	1 184
Trade debtors	6 132		613		395	7 140	89	-187		-370	6 672
Inventories	6 151		-2 623		316	3 844	921	2 070		-367	6 468
Provision for pensions	15 793		2 646	-236	517	18 720	228	-2 871	7 583	-577	23 083
Other provisions	11 276	251	-1 453	-281	789	10 582	8 075	-1 413	-539	-595	16 110
Loss carry forwards	53 406	9 696	1 060		5 102	69 264	575	-2 174		-2 763	64 902
Set-off	1 390		-1 892			-502		377			-125
Total deferred tax asset	**96 335**	**9 947**	**-2 455**	**-517**	**7 317**	**110 627**	**10 176**	**-4 921**	**7 044**	**-4 632**	**118 294**
Deferred tax liabilities:											
Fixed assets	-53 085		-6 162		-3 597	-62 844	-1 753	-7 260		1 089	-70 768
Inventories	-10 415		-516		-719	-11 650		-398		218	-11 830
Set-off	-1 390		1 892			502		-377			125
Total deferred tax liabilities	**-64 890**		**-4 786**		**-4 316**	**-73 992**	**-1 753**	**-8 035**		**1 307**	**-82 473**
Deferred tax	**31 445**	**9 947**	**-7 241**	**-517**	**3 001**	**36 635**	**8 423**	**-12 956**	**7 044**	**-3 325**	**35 821**

Deferred tax attributable to fixed assets, pension commitments and the major part of loss carry forward is expected to be utilised after 12 months. Otherwise, a duration of less than 12 months is expected. There is no time limit on the loss carry forward.

Deferred tax assets in the parent company amount to SEK 0K (1,353) and are attributable to loss carry forward.

28 Pension commitments

Group	2015	2014
The amounts reported in the balance sheet have been calculated as follows:		
Current value of invested commitments [1]	229 818	252 090
Actual value of plan assets	-152 593	-202 380
Deficit in invested plans	**77 225**	**49 710**
Current value of uninvested commitments	30 969	32 494
Net liability in the balance sheet	**108 194**	**82 204**

1) 2015 value includes a liability for a direct pension of SEK 1,090K.

The change in the defined benefit obligation during the year is as follows:		
On 1 January	284 584	312 225
Costs for service during the current year	6 720	5 444
Costs for service during previous years	-8 087	—
Interest income	4 193	4 251
Contributions from employees	7 404	2 500
Revaluation effects	33 376	6 281
Payments made	-11 485	-65 264
Settlement [2]	-58 920	—
Other	92	646
Translation difference	1 820	18 501
On 31 December	**259 697**	**284 584**

The change in the actual value of plan assets during the year are as follows:		
On 1 January	202 380	233 357
Interest income	2 682	3 116
Revaluation effects	6 279	595
Contributions from the employer	651	8 505
Contributions from employees	7 407	2 500
Payments made	-10 999	-58 889
Settlement [2]	-58 920	—
Other	-207	—
Translation difference	3 320	13 196
On 31 December	**152 593**	**202 380**

2) Settlement of a pension scheme in Holland has been made for both assets and liabilities. No effect on the result has, therefore, arisen.

The plan assets consist of the following:		
Invested with pension managers	125 067	90 589
Interest-bearing securities	16 676	73 070
Properties	3 077	16 244
Receivables at nominal value	—	13 530
Shares	2 286	—
Cash	1 398	—
Other	4 089	8 947
Total	**152 593**	**202 380**

Group	2015
The amounts reported in other comprehensive income are the following (revaluations):	
Actuarial (profit) or loss on the current value of the commitment	33 376
Return on plan assets excluding amounts included in the interest expence	-6 279
Total pension cost or (income)	**27 097**

Defined benefit plans
Within the Group there are several defined benefit plans, where the employees have a right to compensation after they have finished employment based on final salary and period of employment. The defined benefit plans exist in Switzerland, Italy, Holland, France, Norway and Sweden.

Pension insurance in Alecta
Commitments for retirement pension and family pension for salaried employees in Sweden are secured through insurance in Alecta. In accordance with the statement by the Swedish Financial Reporting Board, UFR 3, this is a benefit-based plan which comprises several employers. For the 2015 financial year, the company has not had access to information which makes it possible to report this scheme as a benefit-based plan. The pension plan in accordance with ITP, which is secured through insurance in Alecta, is, therefore, reported as a contribution-based plan. The year's contributions for pension insurance plans subscribed in Alecta amount to SEK 2.5M (2.2). Alecta's surplus can be distributed to the policy holders and/or the insured. At the 2015 year end, Alecta's surplus in the form of the collective consolidation level amounted to 153 per cent (143). The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's insurance technical calculation assumptions which do not correspond with IAS 19.

The most important actuarial assumptions were the following:

		2015
	Holland	Switzerland
Discount rate, %	3.73	0.75

		2014
	Holland	Switzerland
Discount rate, %	2.30	1.35

The sensitivity in the defined benefit obligation for changes in the weighted significant assumptions is:

	Decrease in the obligation	Increase in the obligation
Holland		
Discount rate, +0,5%	-1 699	
Discount rate, -0,5%		2 037
Schweiz		
Discount rate, +0,5%	-14 623	
Discount rate, -0,5%		16 784

The above sensitivity analyses are based on a change in one assumption whereas all other assumptions are kept constant. In practice, it is unlikely that this occurs and changes in some of the assumptions can be correlated. On calculation of the sensitivity in the defined benefit obligation for significant actuarial assumptions, the same method is applied (the present value of the defined benefit with application of the projected unit credit method at the end of the reporting period) as on calculation of the pension provision which is reported in the report over financial position.

The composition of the defined benefit net obligation by country is reported below:

				2015
	Holland	Switzerland	Other	Total
Present value of the obligation	12 592	174 369	73 826	260 787
Fair value of plan assets	-3 967	-119 129	-29 497	-152 593
Total	**8 625**	**55 240**	**44 329**	**108 194**

				2014
	Holland	Switzerland	Other	Total
Present value of the obligation	74 449	138 965	71 170	284 584
Fair value of plan assets	-64 125	-108 146	-30 109	-202 380
Total	**10 324**	**30 819**	**41 061**	**82 204**

29 Other provisions

Group	2015	2014
Guarantee commitments	7 041	9 053
Other	26 701	26 257
Total	**33 742**	**35 310**
Long-term portion	15 428	18 632
Current portion	18 314	16 678
Total	**33 742**	**35 310**
Guarantee commitments		
Net value at the start of the period	9 053	10 169
Provisions made during the period	4 011	3 707
Amounts utilised during the period	-5 672	-4 902
Restored unutilised amount	-152	-567
Translation difference	-199	646
Net value at the period end	**7 041**	**9 053**
Restructuring reserve		
Net value at the start of the period	—	3 476
Amounts utilised during the period	—	-3 476
Net value at the period end	**—**	**—**
Other		
Net value at the start of the period	26 257	22 203
Acquisitions of companies	346	108
Provisions made during the period	18 582	5 582
Amounts utilised during the period	-11 304	-3 078
Restored unutilised amount	-5 356	-110
Translation difference	-1 824	1 552
Net value at the period end	**26 701**	**26 257**

Guarantee reserve
A guarantee reserve is reported when the underlying product or service has been sold. The warranty provision is calculated on the basis of previous years' warranty expenditure and a calculation of the future guarantee risk.

Restructuring reserve
The restructuring reserve relates mainly to severance pay and restructuring in the Group's European companies.

Other provision
A provision, reported as other provision, consists largely of sales-related provisions such as bonus and commission.

30 Trade creditors and other liabilities

Group	2015	2014
Trade creditors	857 207	807 310
Advances from customers	2 830	4 198
Accrued expenses and prepaid income	322 243	309 750
Other current liabilities	197 419	135 663
Total	**1 379 699**	**1 256 921**

31 Pledged assets

Group	2015	2014
For own liabilities and provisions		
Shares	—	1 285 009
Property mortgages	—	31 548
Total	**—**	**1 316 557**
Parent company		
For own liabilities and provisions		
Shares in subsidiaries	—	417 452
Total	**—**	**417 452**

The Group's and the parent company's pledged assets constitute collateral for bank commitments such as loans and bank overdraft facilities in the Group's principal banks.

The newly signed financial agreements, see Note 26, are the reason for a change in the pledged assets.

32 Contingent commitments/ Contingent liabilities

Group	2015	2014
Undertakings towards pension institutions	130	132
Total	**130**	**132**
Parent company		
Guarantees, SHB for the benefit of subsidiaries	1 189 633	885 265
Guarantees, Nordea	636 761	718 646
Guarantees, other	9 612	15 392
Guarantees, Group companies	130	132
Total	**1 836 136**	**1 619 435**
Guarantees for the benefit of Group companies	1 836 136	1 619 435
Total	**1 836 136**	**1 619 435**

The Group's contingent liabilities consist of undertakings towards pension institutions. The parent company's guarantee commitments are to banks for subsidiaries' credits.

33 Acquisitions of companies

2015

During the year, a number of acquisitions were made, which is in line with the Group's strategy aimed at increasing growth and strengthening our market position. The acquired companies lie within the Group's existing area of operation. Through the year's acquisitions, we have strengthened our position outside Europe and expanded with one segment, Oceania, which mainly includes New Zealand and Australia. We have also strengthened our position in Asia through acquisitions in Malaysia and Thailand. The total consideration for the acquisitions amounted to approximately SEK 251M. Together, the units acquired during the year have affected the Group's net sales by approximately SEK 445M and the operating profit by around SEK 31M. Total annual sales in the acquired companies amount to approximately SEK 700M. The acquisitions are also described in the Directors' Report. None of the acquisitions has individually been deemed to be significant and information about the companies is, therefore, presented together.

Of the total consideration of SEK 257M, approximately SEK 63M relates to Goodwill and around SEK 7M relates to customer lists. Goodwill is motivated by synergy gains with the Group's existing operations and these surplus values have, therefore, been classified as goodwill. The acquisition value of customer lists has been valued on the basis of estimated customer loyalty and has been entered as Agencies and customer lists and will be written off over 10 years.

In February, Beijer Ref acquired all the shares in the refrigeration wholesale company, RNA Engineering & Trading, which has its head office in Kuala Lumpur, Malaysia. The company reports sales of approximately SEK 45M. It is the leading refrigeration wholesaler in the Malaysian market for commercial refrigeration, estimated to be worth nearly SEK 480M with stable growth of around ten per cent per annum.

In March, Beijer Ref acquired all the shares in the refrigeration wholesale company, Patton, which has its head office in Auckland, New Zealand, and operations in New Zealand, Australia, India and Thailand. Patton was founded in 1923 and reports sales of approximately SEK 400M. It is the leading refrigeration wholesaler in New Zealand, with some sales of products manufactured by the company itself. The acquisition gives Beijer Ref a foothold in the important New Zealand, Australian and Indian markets and, at the same time, strengthens the existing operation in Thailand.

In July, Beijer Ref acquired the refrigeration wholesale company, Realcold, which has its head office in Auckland, New Zealand, and around 20 branches in New Zealand and Australia. Realcold was founded in 1955. The company reports annual sales of more than SEK 260M and is the second largest refrigeration wholesaler in New Zealand. Realcold has more than 100 employees in New Zealand and Australia.

2014

In January, Beijer Ref acquired all the shares in Eurocool (Pty) Ltd, a leading refrigeration wholesaler in South Africa. The company reports sales of approximately SEK 65M and has 36 employees. The company holds a strong market position within Beijer Ref's priority segments. Eurocool is included in Beijer Ref's accounts from January 2014.

In July, Beijer Ref acquired the remaining 49 per cent of the shares in the Italian SCM Frigo Group, a leading manufacturer in Europe of, among other things, refrigerant systems based on environment-friendly technology. The company reports sales of around SEK 240M and has 90 employees.

In August, Beijer Ref acquired all the shares in a leading refrigeration wholesaler in Norway, Børresen Cooltech AS. Børresen Cooltech reports sales of just under SEK 60M and has 20 employees. Børresen Cooltech is included in the consolidated accounts from August 2014.

In September, Beijer Ref strengthened its position in the rapidly growing German refrigeration wholesale market when it acquired the net assets in Grün Großhandel für Kälte- und Klimazubehör. The company reports sales of approximately SEK 25M, has seven employees and gives the Group a strategically important presence in Stuttgart. The company is included in the consolidated accounts from October 2014. Grün Großhandel für Kälte- und Klimazubehör has been merged into the German subsidiary, Beijer Ref Deutschland.

In October, Beijer Ref acquired all the shares in the French refrigeration wholesaler, GFOI (Générale Frigorifique Océan Indien). GFOI is located on the Réunion Island. The company reports sales of around SEK 50M, has seven employees and is a step in the Group's expansion outside Europe. GFOI was merged into the French company, GFF, immediately after the acquisition.

The total acquisition price amounted to SEK 123.6M. During 2014, the acquisitions contributed approximately SEK 94.4M in sales and SEK 1.5M in operating profit.

During the year, only minor business combinations were made and, therefore, a complete specification in accordance with IFRS 3 has not been prepared.

Reported amounts of identifiable acquired assets and liabilities

	Reported value in the acquired companies before the acquisition	*Actual value adjustment*	*Actual value in the Group*
Goodwill	29 584	33 528	63 112
Customer lists	—	7 241	7 241
Fixed assets	17 395	—	17 395
Deferred tax assets	9 630	1 554	11 184
Inventories	178 161	—	178 161
Other current assets	139 603	—	139 603
Liquid funds	33 542	—	33 542
Deferred tax liability	-45	-1 995	-2 040
Interest-bearing loan	-90 747	—	-90 747
Other current liabilities	-84 678	-6 117	-90 795
Total identifiable net assets	232 445	34 211	266 656
Holding with no controlling influence	-15 670	—	-15 670
Effect on the cash flow			
Consideration			-250 986
Not paid consideration			47 403
Liquid funds in acquired companies			33 542
			-170 041

34 Transactions with related parties

Purchase of goods is made on normal commercial terms from Carrier which is an owner company. During the year, purchases at a value of SEK 166.4M (125.4) were made. Sales to Carrier are also made on normal commercial terms. During the year, sales at a value of SEK 86.4M (95.1) were made.

Beijer B. Grimm (Thailand) Ltd rents premises in a property owned by a company controlled by Harald Link, who is a co-ownership party in Beijer B. Grimm (Thailand) Ltd. The rent amounted to SEK 763K (670) for the year.

H. Jessen Jürgensen A/S rents premises in a property owned by parties related to Peter Jessen Jürgensen, board member of Beijer Ref. The rent is on market terms and amounted to SEK 5,738K (4,742) for the year.

Remuneration of senior executives is shown in Note 6.

35 Transactions with holders with no controlling influence

	2015	2014
Balance on 1 January	26 784	49 032
Share of the year's result	6 847	8 064
Translation difference	-2 462	5 040
Acquisition of additional participation in subsidiary	-6 264	-35 352
Holders with non-controlling influence which have arisen on acquisition of operations	15 670	—
Closing balance	**40 575**	**26 784**

Holders of participations with non-controlling interest relate to Beijer B. Grimm (Thailand), Metraclark Zambia Limited, Metjak Pty Ltd, Mcdalea Ltd, AC & Ref Parts CQ Pty Ltd and RNA Malaysia.
Holders with no controlling influence acquired during the year are Patton Aero, Metjak Pty Ltd, Mcdalea Pty Ltd AC & Ref Parts CQ Pty Ltd and RNA Malaysia. At the end of 2015, Beijer Ref acquired all participations in Patton Aero which means that it is now a wholly-owned subsidiary.

36 Events after the balance sheet date

In November, Beijer Ref signed an agreement to acquire the remaining 56 per cent of the shares in the refrigeration wholesale company, HRP Ltd, which has 15 branches in the United Kingdom. Beijer Ref has previously owned 44 per cent of HRP since its acquisition of Carrier Corporation's refrigeration wholesale operation in Europe and South Africa in 2009. As a result, Beijer Ref will strengthen its position in Europe and, with HRP as a complement to the Group's existing UK refrigeration wholesalers, Dean & Wood and RW Refrigeration, consolidate its position as the market leader in the United Kingdom. The acquisition will be completed during 2016.

The UK competition authority, the CMA, regularly examines acquisitions of companies over of a certain size or where there can be a risk that the acquired company can attain a market share in excess of 25 per cent. The CMA has requested information relating to the HRP acquisition. During an information gathering phase, the company being acquired shall carry on its business as usual before the acquisition.

Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:

Share premium reserve	901 604
Profit brought forward	229 734
Net profit for the year	148 258
Total	**1 279 596**

The Board of Directors and the President propose that the profit be distributed as follows:

Dividend, SEK 5.25 per share	222 553
To be carried forward	1 057 043
Total	**1 279 596**

The Board of Directors finds that the proposed dividend is within the framework of the company's long-term objective and is defensible taking into account what is stipulated in Chapter 17 Para. 3 of the Companies Act relating to the demands which the nature, extent and risks of the operations places on the size of shareholders' equity and the need for consolidation, liquidity and the position in general for the parent company and the Group. The consolidated equity ratio after the proposed dividend amounts to 41 per cent.

The profit and loss account and balance sheet will be submitted for adoption to the Annual Meeting of shareholders on 7 April 2016. 11 April 2016 is proposed as the record day.

Beijer Ref AB (publ)
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Address: Stortorget 8, SE-211 34 Malmö, Sweden
Registered Office: Malmö

The Board of Directors and the President assure that the annual accounts have been prepared in accordance with generally accepted accounting principles for stock market companies. The given information corresponds with the actual circumstances in the operations and nothing of significant importance has been left out which could affect the picture of the Group and the parent company created by the annual accounts.

Malmö 8 March 2016

Bernt Ingman
Chairman

Peter Jessen Jürgensen
Board Member

Monica Gimre
Board Member

William Striebe
Board Member

Philippe Delpech
Board Member

Frida Norrbom Sams
Board Member

Joen Magnusson
Board Member

Per Bertland
President

Our Audit Report was submitted on 10 March 2016
PricewaterhouseCoopers AB

Lars Nilsson
Authorised Public Accountant
Auditor in charge

Cecilia Andrén Dorselius
Authorised Public Accountant

Auditor's report
To the annual meeting of the shareholders of Beijer Ref AB (publ), corporate identity number 556040-8113

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Beijer Ref AB (publ) for the financial year 2015 except for the corporate governance statement on pages 24-33. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 22-23 and 35-63.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director 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 Managing Director 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 Managing Director, 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 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 24-33. The statutory administration report is 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 Managing Director of Beijer Ref AB (publ) for the year the financial year 2015. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

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 Managing Director are responsible for administration under the Companies Act and that the corporate governance statement has been prepared in accordance with the Annual Accounts 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 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 Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director 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.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

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 Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Malmö, 10 March 2016
PricewaterhouseCoopers AB

Lars Nilsson Authorised Public Accountant Auditor in charge	Cecilia Andrén Dorselius Authorised Public Accountant

Five-year summary

SEK M	2015	2014	2013	2012	2011
Sales and results (1)					
Net sales	8 360.6	7 189.0	6 595.3	6 758.3	5 846.4
Other operating income, etc	18.9	20.9	13.7	11.3	11.9
Operating expenses excluding amortisation	-7 743.1	-6 666.2	-6 170.6	-6 291.3	-5 379.0
Amortisation	-69.3	-62.3	-60.8	-63.1	-46.8
Operating profit	567.1	481.4	377.7	415.2	432.5
Net interest income and expenses	-42.3	-34.9	-31.3	-34.6	42.7
Result from shares in associated companies	—	—	0.2	24.3	12.7
Profit before taxes	524.8	446.5	346.5	404.9	487.9
Taxes	-151.7	-122.0	-102.4	-99.1	-113.8
Profit for the year	373.1	324.5	244.2	305.8	374.0
Attributable to:					
Parent company's shareholders	366.3	316.4	233.8	295.2	364.0
Non-controlling interests	6.8	8.1	10.4	10.6	10.0
Capital structure					
Cash and bank including unutilised bank overdraft facilities	751.4	503.8	563.2	538.0	677.2
Shareholders' equity	2 634.2	2 618.6	2 417.0	2 399.7	2 418.9
Capital employed (2)	4 503.9	4 308.7	3 829.1	3 837.6	3 824.6
Capital employed in operations (3)	4 070.3	3 986.6	3 567.0	3 566.8	3 466.0
Interest-bearing liabilities	1 831.4	1 665.9	1 392.9	1 417.2	1 398.5
Total assets	6 039.9	5 698.5	5 108.5	5 013.2	5 092.4
Key figures (4)					
Equity ratio, % (5)	43.6	46.0	47.3	47.9	47.5
Return on equity after full tax, % (6)	14.2	12.9	10.1	12.7	15.7
Return on capital employed, % (7)	13.0	11.9	10.0	11.6	14.9
Return on capital employed in operations, % (8)	14.1	12.7	10.6	11.8	15.3
Interest coverage ratio (9)	11.9	12.7	10.1	11.3	30.7
Debt ratio (10)	0.7	0.6	0.6	0.6	0.6
Profit margin, % (11)	6.8	6.7	5.7	6.1	7.4
Other information (1)					
Average number of employees	2 506	2 215	2 137	2 141	1 867
of whom outside Sweden	2 411	2 115	2 028	2 028	1 761
Payroll excluding social security contributions	1 025.2	790.5	727.2	734.9	655.0
of whom outside Sweden	967.3	733.1	660.5	678.2	580.9
Investments intangible and intangible fixed assets including acquisitions	143.8	87.4	57.6	88.3	1 004.8

Definitions

(1) Relates to the remaining operation.
(2) Total assets minus non-interest-bearing liabilities including deferred tax.
(3) Capital employed minus liquid funds, financial assets and other interest-bearing assets.
(4) The profit/loss items in the Group's key figures relate to remaining operations for all periods.
(5) Shareholders' equity including holdings with no controlling influence as a percentage of total assets.
(6) Profit after deduction for full tax as a percentage of average equity.
(7) Profit before taxes plus financial costs as a percentage of average capital employed.
(8) Operating profit as a percentage of average capital employed in operations.
(9) Profit before taxes plus financial costs divided by financial costs.
(10) Interest-bearing liabilities divided by equity.
(11) Operating profit as a percentage of net sales for the year.

annual meeting

The Annual Meeting of shareholders will be held at 3 pm on Thursday 7 April 2016 in Clarion Hotel & Congress Malmö Live, Dag Hammarskjölds torg 2, Malmö, Sweden.

RIGHT TO PARTICIPATE IN THE ANNUAL MEETING OF SHAREHOLDERS

In accordance with the Simplified Share Handling Act, with which the company complies, shareholders who wish to participate in the Annual Meeting of shareholders must be entered in the Register of Shareholders maintained by Euroclear Sweden AB, not later than 1 April 2016.
To be entitled to vote at the Annual Meeting, shareholders whose shares are nominee-registered through the trust department in a bank or private securities brokerage company must re-register their shares temporarily in their own name with the Euroclear.

NOTIFICATION

Shareholders who wish to participate in the Annual Meeting must notify the Board of Directors not later than noon on 1 April 2016 by mail to: Beijer Ref AB, Stortorget 8, SE-211 34 Malmö, Sweden; or by telephone +46 40-35 89 00; or by e-mail to lpl@beijerref.com.
For information about the details required in a notification by e-mail, visit our website www.beijerref.com.

DIVIDEND

The Board of Directors proposes a dividend of SEK 5.25 per share for the 2015 financial year and 11 April 2016 as the record day. Payment is expected to be remitted by Euroclear on 14 April 2016.

FINANCIAL INFORMATION 2016

- The Interim Report for the first quarter will be published on 20 April 2016.
- The Interim Report for the second quarter will be published on 15 July 2016.
- The Interim Report for the third quarter will be published on 19 October 2016.
- The Year-End Report for 2016 will be published in February 2017.
- The Annual Report for 2016 will be published in March 2017.

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On our website, www.beijerref.com, you will always find the latest information.
Here, we publish financial information, news releases and much more.

Beijer Ref is a technology-oriented trading Group which, through added-value products, offers competitive solutions within refrigeration and climate control

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