Beijer Ref

The natural choice for today's society

2014 ANNUAL REPORT

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 290 branches in Belgium, Denmark, Estonia, Finland, France, Ireland, Italy, Latvia, Lithuania, Poland, Holland, Norway, Romania, Switzerland, Slovakia, Spain, United Kingdom, Sweden, the Czech Republic, Germany, Hungary, South Africa, Mozambique, Zambia, Botswana, Namibia, Malaysia, Thailand, India, Australia and New Zealand.

Around 290 branches
1,200 suppliers
60,000 products
50,000 customers

Map showing:
Green = countries in which Beijer Ref is the market leader
Yellow = Beijer Ref is one of the five largest operators

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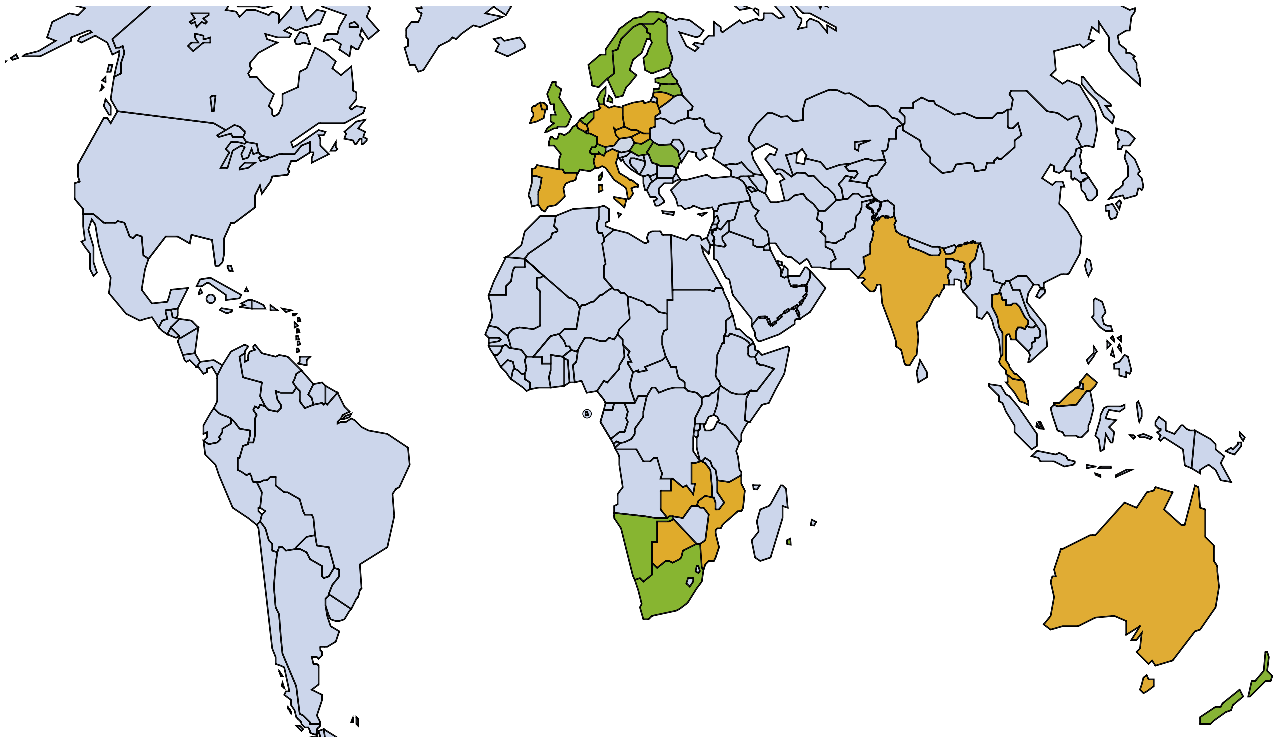


Beijer Ref AB is a public limited liability company with corporate identity number 556040-8113. The company has its registered office in Malmö, Sweden. All amounts are expressed in Swedish kronor with the abbreviation 'SEK K' for thousand kronor and 'SEK M' for million kronor. Figures in brackets refer to 2013 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 2015. 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.

2014 in short

Significant events in 2014

Beijer Ref acquired all the shares in Eurocool (Pty) Ltd, a leading refrigeration wholesaler in South Africa. Eurocool was established in 1999 and holds a strong market position within Beijer Ref's priority segments. The company reports sales of approximately SEK 65M and has 36 employees.

The EU Parliament and the Council of Ministers voted 'yes' to the proposal regarding a new F-gas ordinance, which requires the gradual phasing out of refrigerants with fluorised greenhouse gases (f-gases).

The Group changed its name from G & L Beijer to Beijer Ref.

Beijer Ref acquired the remaining 40 per cent of the shares in the Italian SCM Frigo Group, a leading manufacturer in Europe of, among other things, chillers based on eco-friendly technology. The company reports sales of around SEK 240M and has 90 employees.

Beijer Ref acquired all the shares in a leading refrigeration wholesaler in Norway, Børresen Cooltech AS. Børresen Cooltech reports sales of slightly less than SEK 60M and has 20 employees.

Beijer Ref acquired the German company, Grün Groß-handel für Kälte- und Klimazubehör. The company reports sales of approximately SEK 25M and has seven employees. Through its location in Stuttgart, it gives the Group a strategically important presence in Germany.

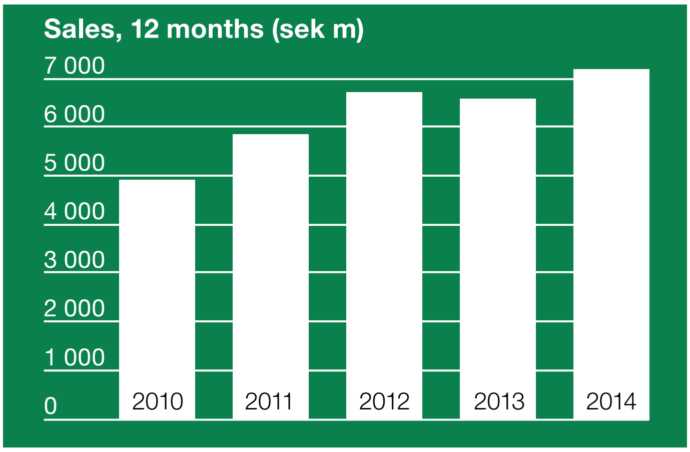
Beijer Ref acquired all the shares in the French refrigeration wholesaler, GFOI (Générale Frigorifique Océan Indien). GFOI is located on the Réunion Island approximately 800 kilometres east of Madagascar in the Indian Ocean. The company reports sales of around SEK 50M, has seven employees and is a step in the Group's expansion outside Europe.

Key figures	2014	2013	2012
Sales, SEK M	7 189.0	6 595.3	6 758.3
Operating profit, SEK M	481.4	411.9	425.7
Profit after tax, SEK M	324.5	269.2	293.0
Profit per share, SEK	7.46	6.10	6.66
Dividend per share, SEK	5.00*	4.75	4.75

*In accordance with the Board of Directors' proposal.

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

The table and diagrams refers to the remaining operation and is adjusted for one-time items which occurred in 2012 and 2013.



the main theme is green

2014 was an eventful year for Beijer Ref with good sales overall and several strategically important decisions made. Possibly the most important single event of the year happened in the spring when the EU Parliament and the Council of Ministers made the decision to phase out fluorised greenhouse gases as refrigerants by stages.

During the next few years, this so-called F-gas ordinance will have a major impact on the refrigeration sector as the old technology's greenhouse-generating refrigerants are gradually phased out and replaced by environmentally sustainable alternatives.

As a technology and environment-oriented company, Beijer Ref welcomes this decision and the contribution it will make to reducing the greenhouse effect.

Per Bertland
CEO Beijer Ref AB

We entered 2014 with a reduced cost base after the restructurings made in both 2012 and 2013. With a sales increase of nine per cent, an increased operating margin and organic growth, 2014 shows both that it was right to implement the savings programme and that the demand in several important markets shows signs of recovery.

The Group showed organic growth during ten of the year's twelve months. However, as a result of the unusually cold weather in Southern Europe during July and August, the important summer months were slightly below our forecast.

What was more gratifying, therefore, was that the year ended so strongly. The fourth quarter showed a double figure organic increase in the Nordic countries, South Africa and Central Europe.

Market development

The Group splits its operation in the Global market into five geographic segments: Nordic countries, Central Europe, Eastern Europe, Southern Europe and Africa and Asia (A&A).

The increased sales in the Nordic countries are partly driven by an increased demand for eco-friendly refrigeration installations. Environmental concerns are given considerable priority in the Nordic countries, which is the leader within this area. Our end customers often have a clear environmental profile, which contributes to our development work.

In Central Europe, the United Kingdom continues to win market share with a strong service concept. The development in the Netherlands has also been positive during the past year. In addition, Beijer Ref has gained a solid foothold in the largest market in Europe, Germany, where the operation has been built from the ground up and the Group is becoming a significant operator within only a few years.

Eastern Europe also shows growth, albeit slightly lower than the Nordic countries and Central Europe. The region is characterised by weak demand resulting from the crisis in Ukraine.

In Southern Europe, Spain and Italy the markets showed signs of stability, whereas sales in the French distribution companies were slightly weaker.

In the geographic segment A&A, the year began weakly for Thailand. However, with gradually increased sales during the year and with a strong ending in the fourth quarter, the year was satisfactory.

The five countries in Southern Africa – South Africa, Namibia, Botswana, Mozambique and Zambia – also reported good growth with a full-year increase of 20 per cent.

Five strong acquisitions

Beijer Ref's strategy is to grow through acquisitions within and outside Europe. Of the year's five acquisitions, two were made in the southern hemisphere. These were Eurocool RSA, one of the largest refrigeration wholesalers in South Africa, and the French wholesaler, GFOI (Générale Frigorifique Océan Indien). This company is based on the Réunion Island which, with its location around 800 kilometres east of Madagascar in the Indian Ocean, has a rapidly expanding tourist industry.

Børresen Cooltech is a leading refrigeration wholesaler in Norway, which strengthens the operation in Norway, whilst the acquisition of Grün strengthens Beijer Ref's position in the important German refrigeration wholesale market.

However, the strategically most important acquisition during the year was the acquisition of the remaining 49 per cent of the shares in the Italian manufacturing company, SCM Frigo, which is one of the European companies that is successfully carrying out the changeover to eco-friendly-based refrigeration installations.

In total, the four new Beijer companies, SCM not included, generate additional annual sales of approximately SEK 180M. With the acquisition of SCM Frigo, the Group gets a base for a new business area – Beijer Ref OEM (Original Equipment Manufacturer).

Extensive environmental change-over

The new F-gas ordinance, with its phasing out of old refrigerants, will lead to a gradual replacement of existing refrigeration installations in Europe. This means that, in all probability, we are facing the biggest ever change-over in the refrigeration sector.

During the next ten-year period, the supply of HFC-based refrigerants will be phased out. Most likely, this means that, relatively speaking, there will be an increased demand for new refrigerants during the change-over period.

Europe is leading the development toward new eco-friendly refrigeration solutions. The experience that we in Beijer Ref have acquired resulting from the introduction of new Scandinavian and European rules and regulations has given us valuable experience and a knowledge advantage in the global market, which is expected to follow the guidelines set in the new European rules and regulations.

Based on this, we have made a number of strategically important decisions during 2014.

Increased own manufacturing with a focus on eco-friendly systems

Over many years, several companies in the Beijer Ref Group have built and assembled own chillers. With the aforementioned OEM strategy, the Group is increasing its focus on eco-friendly and energy-efficient refrigeration solutions.

The new business area, Beijer Ref OEM, will gradually concentrate on the manufacturing of both standard and customer-adapted refrigeration systems. Sweden and France are the first countries to adopt the concept and the venture is expected to generate a number of positive effects.

Investment in more efficient logistics

With more than 240 branches, of which around 200 are in Europe, Beijer Ref has much to gain in optimising the flow of products in order to increase the service, reduce the costs and improve the environment. Our objective is gradually to concentrate our purchases in order to achieve fewer suppliers and fewer deliveries as a result. The objective is capital rationalisation with a maintained service level.

Trials have been carried out in Spain and already show good results, which makes us hopeful that Beijer Ref's new logistics processes will have positive effects on both result and capital.

Exclusive agreements

Beijer Ref has an exclusive distribution agreement with Toshiba in 11 countries in Europe. Toshiba's move of its manufacturing from Japan to a new factory in Thailand has led to a broader supply of more competitive products, which in turn has had a positive effect on sales.

At the beginning of 2015, Beijer Ref was able to sign a new exclusive distribution agreement, this time with the world-leading American refrigeration group Carrier. Beijer Ref has obtained the exclusive right to sales and service of its comfort cooling products DX (direct expansion) in most European countries, which further strengthens the Group's product supply.

The main theme is green

In spite of all aggressive efforts, I would emphasise that our focus on costs has continued, which has had the effect that costs were reduced during the year. This must be regarded as a positive result and a continuation of the significant cost savings made in 2012 and 2013.

Beijer Ref thus expands with good reason – and with a strong assurance that the main theme for the company's development during the foreseeable future continues to be green.

Please read more about this in the chapter 'The long and winding road to eco-friendly refrigeration' on page 17 in this Annual Report.

With this, I would like to thank all our shareholders and all our staff for their dedication, trust and decisive efforts. We can look back on 2014 with pride and joy – and to 2015 with the anticipation of continued expansion, both organic and through acquisition.

Per Bertland

the beijer share 2014

2014 was a year characterised by economic unrest in Southern Europe while, at the same time, sanctions as a consequence of the escalating crisis in Ukraine influenced the will to invest in some of the Group's most important markets.

The Nasdaq OMX Stockholm went against the trend among the major stock exchanges in Europe and rose by 9.9 per cent (23). The price paid for the Beijer Ref B share fell by 8.9 per cent (+30).

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 371,684,512.50, represented by 42,478,230 shares, each with a nominal value of SEK 8.75. Beijer Ref had 2,765 shareholders on 31 December 2014. 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 7.

Long-term and high yield

Profit per share after tax amounted to SEK 7.46 (5.51). Total yield of the Beijer Ref share amounted to -5.5 per cent for the B share. This can be compared with the SIXRX index 2 which had a return of 15.8 per cent. In the past five years, the Beijer Ref B share has had a total yield averaging 16.2 per cent per annum. The corresponding figure for SIXRX is 15 (22) per cent per annum.

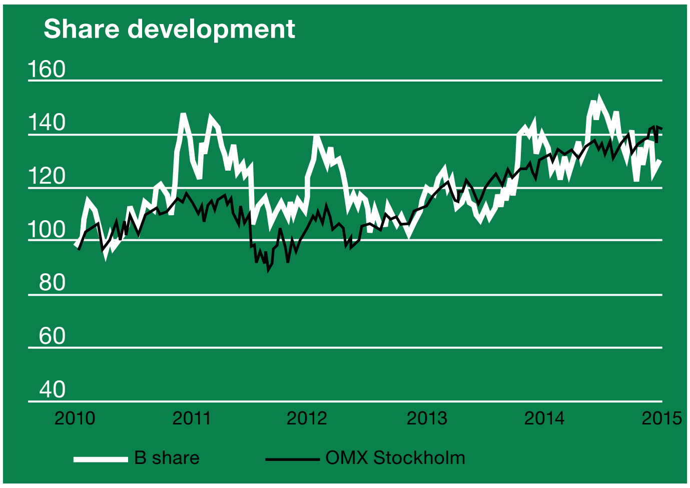
Market value and trading

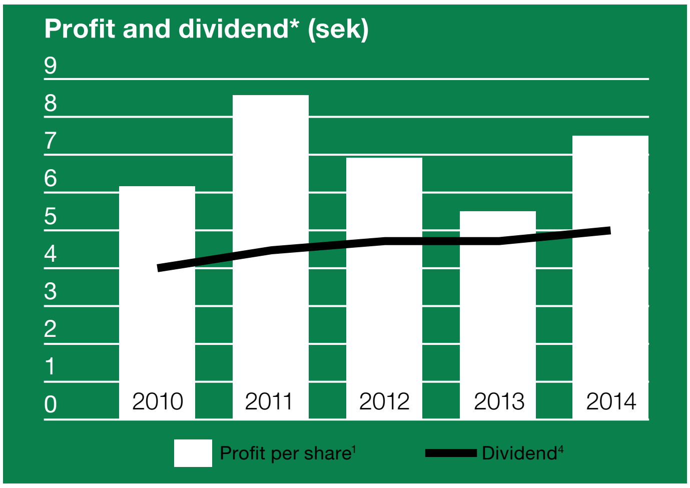
During 2014, a total of 1,982,010 Beijer Ref shares were traded (4,466,642). The total value of trading in the share amounted to SEK 271,326,491 (529,826,269). Average daily trading amounted to 7,960 shares (17,867) or SEK 1.1M (2.1). The highest price paid during the year of SEK 159 was registered on 13 June and the lowest price of SEK 118.75 was registered on 13 October. Further information about the Beijer Ref share is available on www.beijerref.com.

Dividend

The Board of Directors has proposed a dividend of SEK 5.00 (4.75) for the 2014 financial year. The dividend proposal is equivalent to 67 per cent (86) of the Group's profit after tax for 2014 and to 8.2 per cent (8.3) 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 3.9 per cent (3.4).

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 2015-03-13	*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%
Lannebo fonder	—	2 821 000	2 821 000	6.6%	3.9%
Fjärde AP-fonden	—	2 431 974	2 431 974	5.7%	3.4%
SEB Investment Management	—	1 810 494	1 810 494	4.3%	2.5%
Hain, Jan (private and companies)	160 000	134 000	294 000	0.7%	2.4%
Didner & Gerge Fonder AB	—	1 376 810	1 376 810	3.2%	1.9%
Ekdahl, Gunnar (private and companies)	—	1 313 503	1 313 503	3.1%	1.8%
Total, 10 largest shareholders	3 265 040	27 058 441	30 323 481	71.3%	82.7%
Other owners	41 200	12 026 349	12 067 549	28.7%	17.3%
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	1 829	280	268 924	0.63	0.38	34 288
501 - 1000	363	1 920	283 072	0.67	0.42	36 092
1001 - 2000	208	0	321 728	0.76	0.45	41 020
2001 - 5000	179	1000	595 749	1.40	0.84	75 958
5001 - 10000	74	0	529 870	1.25	0.73	67 558
10001 - 20000	34	16 000	463 957	1.13	0.86	59 155
20001 - 50000	24	24 000	731 452	1.78	1.34	93 260
50001 - 100000	20	40 000	1 379 773	3.34	2.46	175 921
100001 -	34	3 223 040	34 597 465	89.04	92.52	4 411 177
Total 2014-12-30	2 765	3 306 240	39 171 990	100.00	100.00	4 994 429

Share data* (sek)

	2014	*2013*	*2012*	*2011*	*2010*
Profit per share [1]	7.46	5.51	6.96	8.59	6.13
Equity per share [2]	62	57	57	57	56
Cash flow per share [3]	9.12	6.09	7.91	9.06	6.06
Dividend [4]	5.00	4.75	4.75	4.50	4.00
Market value [5]	127.5	140	108	109	140
Yield, % [6]	3.9	3.4	4.4	4.1	2.9

*) 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 2014, in accordance with the Board of Directors' proposal.
5) On 31 December.
6) Dividend in relation to market value.

business model,
strategy & objectives

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

Strategy
Beijer Ref is creating an operation that will be concentrated on refrigeration, air conditioning and heat pumps. The resources are primarily concentrated on the wholesale operation. During 2014, however, the decision was also made to make own manufacturing of advanced eco-friendly refrigeration systems a priority area in the operation. This should be seen as a complement to the existing trading operation as it opens up new market segments.

Beijer Ref will continue to grow organically and through supplementary acquisitions in existing markets, both in Europe and globally.

• The Group gives a priority to long-term and stable business relationships.
• The Group will optimise the diverse requests of different interested parties.
• The primary interest groups consist of shareholders, customers, employees and suppliers.

Business model
Beijer Ref's business model has been sustainable and stable over the years. The fundamental concept is the focus on trading operations and on the distribution of refrigeration components, refrigeration systems and air conditioning. The business model is based on Business-to-Business operation (B2B), i.e. trading with products and services between companies.

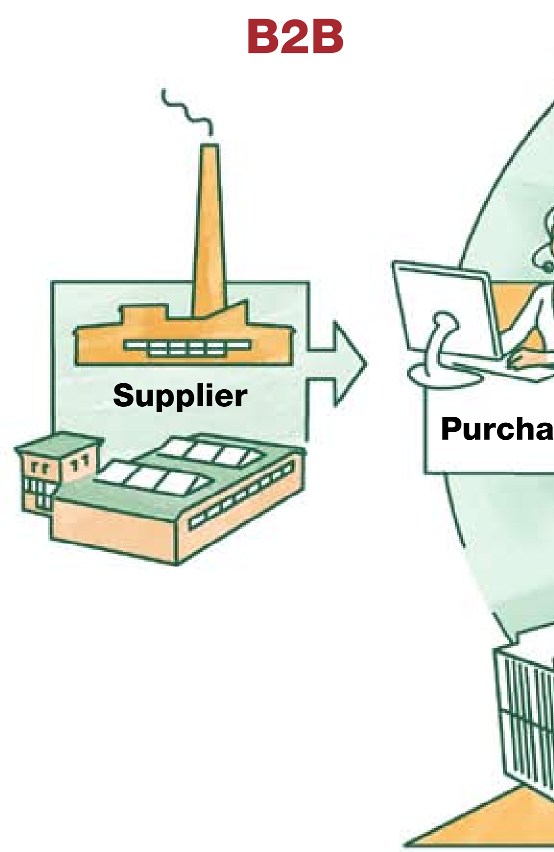
The Group's value chain consists of: purchasing; own manufacturing and customer adaptation of products by contributing technical expertise; efficient logistics and warehousing; system solutions; and by offering technical support and service. An important part is the collaboration with customers, especially where the Group's knowledge and experience of the market can be converted into products that meet the customers' requirements and demands.

Beijer Ref identifies and evaluates critical variables in the value chain, which means that the customer's operation and the running of it are put into focus. These variables include: decentralisation; local presence; accessibility; rapid and efficient deliveries; and service.

Long-term planning and stability are characteristics which typify the Group's relationships with suppliers and customers. At the same time, the ability to change is also an important cornerstone. The Group has undergone gradual changes and adaptations to new market conditions. Operations have been divested and new operations have been added.

Growth through acquisition
The majority of the Group's markets are mature but, normally, show an organic growth rate which exceeds GDP by approximately three per cent, mainly due to the link with the food industry which has a stable underlying growth. Beijer Ref strives to increase growth, partly through acquisition. Over the past ten years, 2005-2014, the Group has reported average annual growth of 19.2 per cent.

As a leading operator, Beijer Ref develops independent partnerships with suppliers which gives them access to a large market. Through the Group's network of branches, the products are cost-efficiently marketed and distributed to a large customer base.
The business model generates stable results. During the latest five-year period,



operating profit has increased by 12.6 per cent per annum on average. The operating margin (operating profit in relation to sales) has averaged 6.6 per cent during this five-year period. It has shown variations with a high of 7.4 per cent and a low of 5.7 per cent.

During the same period, the return on capital employed in operations averaged 14.2 per cent. Return on equity was 13.8 per cent on average.

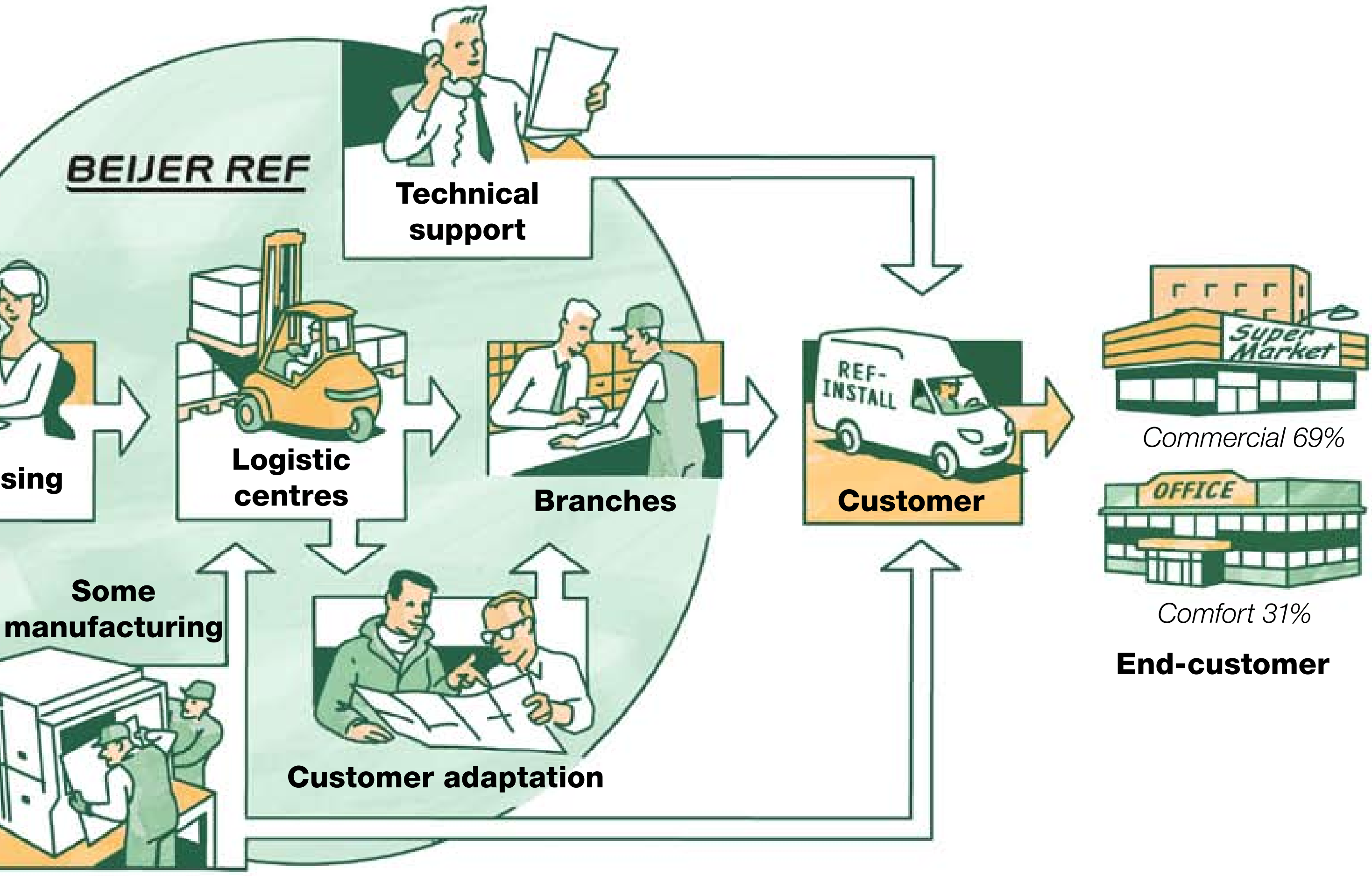
Objectives

• Beijer Ref aims to strengthen still further its position as the leading operator in Europe and to establish itself 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.



The natural choice for today's society

Beijer Ref is present almost everywhere in modern society environments. We preserve the sustainability of sensitive perishables in the food trade; ensure that the climate in the IT company's server room is exactly adapted to the computer's needs; and that the pub customer's drink is served at the expected temperature.

The examples can be multiplied. As one of the largest refrigeration wholesalers in the world, Beijer Ref has a key role in a society where efficient and eco-friendly goes hand in hand with social progress. This is true, not least in the developing countries.

Beijer Ref is found in most places in our society!
Our products on the left, such as compressors, refrigerants, heat exchangers and comfort products, as well as complete refrigeration installations, are found in most locations in the above illustration. The products are needed for private residences, stores, foods, restaurants, offices, hotels, boats, cars (and other means of transport), sports centres, various types of industries, etc. and are a requirement for a modern functioning society.

the natural choice
for today's society

Beijer Ref sells refrigeration systems, components for refrigeration systems, air conditioning and heat pumps. The Group is one of the largest in the world in the global refrigeration wholesale market. It has around 290 branches in Europe, Africa and Asia. From March 2015 also in Oceania.

The product programme consists of the leading brands in the sector and a growing segment of products of the company's own development. In addition, the Group has exclusive European distribution rights for the Japanese company, Toshiba, for its air conditioning and heating products and has sales and service rights for the American company, Carrier, for its DX comfort cooling products.

The company's competitive edge is broad and extensive, both with regard to technical competence and product range. This is complemented with its local presence via a large number of international branches, delivery of system solutions that simplify installation, and an efficient distribution network with rapid access to spare parts for service, maintenance and repair.

Market and customers
Beijer Ref's products are an increasingly vital part of modern society. They are found in refrigeration freezing and air-conditioning systems which the Group splits into the segments:

• commercial refrigeration (refrigeration plant supplied to, among others, food stores, shopping malls, cafes and hotels)

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

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

Sales are mainly made to refrigeration installation contractors, service companies, construction companies and manufacturers of refrigeration products which, in turn, deliver to end customers. Of the Group's approximately 50,000 customers, the five largest customers account for only five per cent of sales.

Beijer Ref delivers components and systems which are almost exclusively adapted to every customer's specific requirements, which means close and relationship-creating collaborations with customers. The aftermarket accounts for nearly 70 per cent of sales.

Commercial and industrial refrigeration
Commercial and industrial refrigeration accounts for 70 per cent of the operation

Monica Serbu, Managing Director, Beijer Ref Romania

"I took office as Managing Director in January 2013 and I am proud to be a part of the Beijer Ref Group, not least as we are the market-leading refrigeration wholesaler in Romania. The Nordic countries are more advanced with regard to eco-friendly refrigerants, but the development has started to gain speed in Romania and will continue at an even faster pace.
We now have a better opportunity than before to deliver the best eco-friendly solutions in the market. As a step in this work, we have initiated a training programme for our customers, partly with regard to the insulation of chiller installations. This is important work as it makes the installation as energy-efficient as possible.
We also arrange seminars for our major customers, where we go through innovations in the sector and in the market. Beijer Ref Romania profiles itself as the leading company providing the latest technology and this is a message we find resonates well in the market."

John Billson, Managing Director, Dean & Wood, United Kingdom

"Dean & Wood is the oldest refrigeration and air-conditioning wholesaler in England. I have worked in the company for 25 years and have followed market developments at close quarters. We are a service-focused company which, over the years, has split some parts of the operation into niche subsidiaries in order to optimise our customer offer.

Some of our biggest end customers include large convenience and chain stores in which refrigeration installations form a critical part of the operation. To enable us to give optimal service throughout the country we have created a well-developed concept for technical support.

Previously, our installation contractor customers had the components delivered directly to them and then built the refrigeration systems on their own customers' sites. However, during the past five years, there has been an increasing demand for kind of customer-adapted special solutions supplied by companies like Beijer Ref.

During the past 18 months, we have prepared the market and our customers for the phasing out of old refrigerants by spreading information via our roadshow, 'Facing Change', which educates our customers about the F-gas ordinance and its implications. We have also done this through active participation in the key trade organisation, the British Refrigeration Association (BRA).

As a consequence of the stricter environmental legislation, there has been an increased demand for a change-over to new refrigeration systems for eco-friendly refrigerants, such as CO2, or an adaptation of existing refrigeration systems. We are also seeing an increasing proportion of companies making their transactions with us via e-trading and have, therefore, ventured into producing increasingly efficient solutions to respond to this demand."

Market development 2014

Southern Europe

Southern Europe is Beijer Ref's largest region with 39 (45) per cent of the Group's sales and 767 (764) employees. The region has five logistics centres and 111 branches in France, Italy and Spain.

Southern Europe increased its market by three per cent during 2014, mainly due to weak sales especially in the French distribution companies as a consequence of the weak economy. However, the Group's companies I Southern Europe have shown good stability in spite of the weak economic trend in the region.

Central Europe

The Central Europe region accounts for 27 (27) per cent of the Group's sales and has 521 (509) employees. The operation's six logistics centres and 48 branches in Belgium, Holland, Switzerland, Germany, The United Kingdom & Ireland have a well-established collaboration and the filling station in Apeldoorn, Holland, supplies Central Europe with refrigerants.

Central Europe increased its market by 16 per cent in 2014. This was largely thanks to the fact that the United Kingdom continues to win market share with a strong service concept. Beijer Ref has also gained a solid foothold in the largest market in Europe, Germany, where the operation has been built from the ground up and the Group has become one of the most important operators in only a few years.

Nordic countries

Denmark, Finland, Norway and Sweden have four logistics centres and 29 branches. The region accounts for 18 (18) per cent of the Group's sales and has 308 (312) employees.

The Nordic countries increased its sales by 12 per cent in 2014, mainly driven by increased demand for carbon dioxide-based refrigeration solutions. Beijer Ref's end customers often have a clear environment profile which contributes to forcing the pace of development in the Nordic countries.

Africa & Asia

The Group's fourth largest region consists of Botswana, Mozambique, Namibia, South Africa and Zambia in Southern Africa and Thailand in Asia. The region's share of the Group's sales amounted to 12 (12) per cent. In total, the region has 480 (425) employees in two logistics centres and 40 branches.

Africa & Asia increased its market by 10 per cent in 2014. Thailand increased by one per cent during 2014, thanks to a final spurt of 31 per cent in the fourth quarter. The five countries in Southern Africa – South Africa, Namibia, Botswana, Mozambique and Zambia – accounted for an organic increase of 20 per cent.

Eastern Europe

The Eastern Europe region consists of Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, the Czech Republic and Hungary. The region's share of the Group's sales amounted to 4 (5) per cent. In total, the region has 129 (127) employees in seven logistics centres and 28 branches. For Eastern Europe, the filling station for refrigerants is located in Budapest, Hungary.

In 2014, Eastern Europe increased its market by nine per cent in a price-squeezed market which continues to be marked by the weak economy that had followed with the crisis in Ukraine.

in Beijer Ref. The Group is a world-leading wholesale and trading company. The European market for commercial refrigeration is valued at more than SEK 21 billion.

The Group holds 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 development of the products is partly driven by demand for reduced environmental impact through the changeover to more eco-friendly refrigerants and increased energy efficiency.

The market is growing through increasing consumption of refrigerated and frozen products. The changed consumption pattern in the past decade, with its demand for more delicate raw materials and convenience food, requires investments and contributes to increased demand from both existing customers and from new store categories.

Comfort cooling (HVAC)
The comfort cooling segment (Heating Ventilation Air-Conditioning or HVAC) covers both heating and air conditioning for private residences and climate control of large office areas. In Europe alone, the market is estimated to be worth more than SEK 40 billion per annum and demand is increasing in step with the standard of living.

The market for comfort cooling enjoys a good growth trend, but is more cyclical than commercial refrigeration. Within Europe, there are geographical differences in how mature the market has become. For example, in Southern Europe, climate installations for comfort cooling are very extensive whilst the market in Northern Europe is still characterised by organic growth. In Africa &Asia, there is an increasing large middle-class society demanding improved living standards.

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

Exclusive distributions agreements
Toshiba is among the four leading brands in the market for comfort cooling in Europe, with products known for high quality and low energy consumption. Beijer Ref has an exclusive right for the distribution of Toshiba's air-conditioning units, heat pumps and ventilation systems in 11 European countries.

As from January 2015, Beijer Ref also has an exclusive distribution agreement with the world-leading American refrigeration group, Carrier, which gives Beijer Ref the sole right to sales and service of the DX comfort-cooling products in most European countries.

Other brands that Beijer Ref sells within comfort cooling include Mitsubishi Heavy Industries, Mitsubishi Electric, Hitachi, Panasonic and Daikin (Japan), LG and Samsung (South Korea), Midea (China) and Aermec (Italy).

Jean-José Naudin, General Manager, Beijer Ref Toshiba HVAC, France

"I started in the refrigeration industry in Carrier in 1990, joined Toshiba in 2003 and have been working as General Manager since 2011. The air-conditioning market in France has recovered from 2013 until the summer of 2014 when, unfortunately, the weather was unusually cold. However, Toshiba's sales have increased, partly thanks to a number of new product launches.

One of the year's more exciting projects was the award-winning installation of comfort cooling in a new building adjacent to Mercedes' French head office in Voisins-le-Bretonneux, just outside Paris. The 7,000 square metre building contains the Mercedes Academy and a training centre for French service personnel for its cars and trucks.

The assignment was to create an energy-efficiency solution that would provide more even and comfortable climate throughout the entire building. Beijer Ref Toshiba presented a proposal to Altarea–Cogedim, a construction company, suggesting the use of six outdoor chillers serve the 80 chillers inside the building.

With close collaboration and open dialogue between Beijer Ref Toshiba, the installation contractor and the end customer, a technical solution was achieved which exactly matched what the Mercedes Academy had requested. The project has been given the prestigious classification 'Excellence' by NF HQE Bâtiments Tertiaires, the official French building certification body which judges buildings on the basis of energy consumption, environment, comfort and health."

Beijer Ref also sells its own brand, Cubo, for condensers, Aircool, for climate installations, and minor components within refrigeration and air conditioning under the Totaline brand.

Customers and suppliers
The Group has a broad customer base with a large variation in customer size. The majority of sales are made to contractors and installation companies who also maintain existing equipment. The deciding factor in Beijer Ref's role as a wholesaler is to provide a cost-efficient logistics chain which includes a broad range of products that meet the requirements of the local market.

A majority of the customers are small, independent refrigeration installation companies and contractors that have strong demands for a short installation time to end-customers with varying equipment. This places strict demands on Beijer Ref to have warehousing which corresponds with the demand that exists in every country.

As a large operator, Beijer Ref is also expected to be responsible for technical advice relating to the products and systems that the Group distributes. Concurrently with increasingly complex systems, this is becoming an increasingly decisive factor in the customers' choice of partner.

Beijer Ref collaborates with, and has good relationships with, around 100 suppliers and distributes products from many well-established brands. It gives the Group an independent position in the market which benefits the customers through a broad and extensive product supply.

Demand

The general economic climate heavily influences the demand for Beijer Ref's products and system solutions. The demand for new installations is controlled by the anticipated economic trend, whereas the volume of repair and maintenance work is more stable.

The demand for commercial refrigeration is relatively stable due to its association with the food market. Other factors which influence the market are the weather, legislation and taxes.

The effect of the weather is visible through Beijer Ref's seasonal pattern with strong second and third quarters. The variation is due to the Group's strong position in Europe but, concurrently with the company strengthening its position in the southern hemisphere, the first and fourth quarters will be influenced in a positive direction.

Distribution and sales

Beijer Ref distributes its products through a network of professional resellers as well as a network of wholesalers. 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 customers and to meet the requirements for both new sales and the aftermarket. In addition to sales engineers and technical staff, there are usually functions for marketing and logistics. As a result, each unit secures close local ties with, and proximity to, the customer. 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.

More efficient logistics

Through extensive logistics consisting of central European logistics centres with distribution to branches, or close-proximity warehouses, the Group's customers are always close to a broad product range and technical advice. In total, the Group has more than 20 central logistics centres and around 240 branches dedicated to products within refrigeration and air conditioning.

As one of the largest operators, Beijer Ref has an extensive logistics and distribution network. In a sector, in which the aftermarket accounts for the majority of total sales and the assignments are often time-critical, efficient logistics is a prerequisite for being able to satisfy the customers' requirements.

A well thought-out and extensive logistics chain is central for creating and looking after long-term and strong relationships with customers. During 2014, Beijer Ref started the work with a new and optimised logistics organisation with the aim of improve capital usage.

Johan Bökman, Logistics Manager, Beijer Ref

"I joined Beijer Ref as logistics manager in September 2014. It coincided with the Group's strategic investment in optimising its logistics chain in order to reduce tied-up capital and increase the turnover of its inventories.

By making larger and more co-ordinated purchases, we can reduce unnecessary storage costs for infrequently bought commodities in the various countries and can still maintain a high level of service. And, with even more efficient logistics, we can reduce the number of transports needed, which both reduces costs and contributes to a better environment. This benefits us, our suppliers and our customers as well.

At the same time, we link together the information from the countries' different business systems, which gives all branches and the Group a better overview and an opportunity to create a more efficient inventory control. Spain has already run a successful project aimed at increasing its inventory turnover and, although the new European logistics project will not be fully implemented until 2016, we can already see that it has started to generate positive results."

new environmental legislation
creates new opportunities

Both ozone-destroying refrigerants and first-generation replacement agents are rapidly being phased out and replaced by refrigerants with significantly less impact on the climate.

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

The EU's F-gas ordinance means that refrigerants with a high greenhouse effect will disappear from the market more rapidly and will be replaced by environmentally sustainable alternatives with a lower greenhouse effect.

These can be natural refrigerants, such as carbon dioxide, ammonia or propane, or new synthetic solutions with significantly less environmental impact. As a result, an extensive restructuring of the sector has started, with considerable requirements for investments in new eco-friendly refrigeration technology. This means a significant demand for the Group's products.

Beijer Refs subsidiary, H Jessen Jürgensen AB in Gothenburg, offers one of the broadest ranges of refrigerants.
On the left, HJJ's local manager, Dennis Abrahamsson, together with Beijer Ref's CEO, Per Bertland.

In order to measure how much the greenhouse effect is influenced, the term GWP (Global Warming Potential) is used. In accordance with the F-gas ordinance, refrigerants with high global warming values will be phased out in increasingly stringent phases. The aim is to reduce their impact to one fifth compared to their current values by 2030.

Refrigerants of the future

The development of refrigerants for the future is controlled by, among other things, energy efficiency, minimum environmental impact, safety and economy within the respective area of application. In the future, we can expect that there will be several different solutions depending on application. Legislation relating to individuals and property with regard to pressure level, combustibility and toxicity has for practical reasons limited the use of natural refrigerants in favour of HFC refrigerants. With the new F-gas ordinance, the lowest impact on the environment carries more weight than before. The challenge, therefore, will be to adapt the natural refrigerants to the governing demands.

As several applications within the refrigeration industry currently lack eco-friendly refrigerants to replace the ones being phased out, intensive research is in progress among the leading chemicals companies aimed at producing a new generation of synthetic and eco-friendly refrigerants.

Beijer Ref participates in the development Europe and especially the Nordic countries are at the forefront for a changeover to eco-friendly refrigeration technology. As one of the largest refrigeration wholesalers in the world, Beijer Ref is taking part and influencing this development.

To sum up: the phasing out of the old refrigerants will mean a welcome changeover to replacement agents in the form of eco-friendly refrigerants, natural or synthetic.

This means that during the next few years there will be an increased requirement for the construction of new refrigeration plants and for the refurbishment of refrigeration installations, a challenge for which Beijer Ref is well positioned.

The long and winding road to eco-friendly refrigeration

During 2012, the foremost scientific institution in the United Kingdom, the Royal Society, carried out a survey among the country's scientists aimed at selecting the most important inventions in history for the world's food and drinks industry.

In the Royal Society's study, refrigeration technology was named as the most important invention for the food and drinks industry, ahead of pasteurised milk and the tin can. More ancient innovations, such as the fishing net and the plough, lagged far behind. However, the road to a technical solution for refrigeration that is both efficient and environmentally acceptable has been long, winding and lined with frustrating setbacks.

The spread of modern refrigeration technology has been unquestionably useful throughout the world and, bearing in mind the living conditions of billions of people in the developing countries, its development has hardly even really started.

But the road to an eco-efficient refrigeration technology has been made more difficult by the fact that several generations of synthetic refrigerants have proved to have various kinds of negative impact on the environment. This has led to a number of bans and restrictions for old refrigerants and a major investment in eco-friendly technology solutions.

The impact of refrigerants on the environment is measured in three ways.

- ODP (Ozone Depletion Potential) measures the effect on the ozone layer
- GWP (Global Warming Potential) measures the impact of the greenhouse effect
- TEWI (Total Environmental Warming Impact) measures the overall impact on the environment of a refrigeration plant, including the impact that comes from the energy consumed to operate a refrigeration plant.

Below is a brief summary of key developments in this field up until the present time:

Alternative refrigerants

Artificial refrigeration technology was invented as early as the mid-18th century and developed during the 19th century. It culminated with the launch of the modern domestic refrigerator in the first half of the 20th century.

The technology was based on the principle that a refrigerant transported heat from a cold to a warm place. The first refrigerants used were ammonia, methyl chloride and sulphur dioxide. However, as they were often evil-smelling, toxic and/or inflammable, the refrigeration sector started its urgent search for an alternative technology at the beginning of the 20th century.

CFCs

At the end of the 1920s, the American chemist Thomas Midgley solved the problem by using CFCs as a main constituent in refrigeration. Abbreviated to CFCs, as they are formed from chlorofluorocarbons, they can also sometimes be called freons.

CFCs have none of the disadvantages of the old refrigerants and became the predominant refrigerant in refrigerators, freezers and air-conditioning plant for the next 50 years. CFCs can also be used as a propellant in aerosols.

It would take nearly 50 years until research scientists became aware of the negative impact on the environment of CFCs, especially the thinning effect they can have on the atmosphere's vital ozone layer which protects us against the ultraviolet rays of the sun.

The Montreal Protocol

When research scientists started to sound the alarm about the negative effects on the ozone layer of CFC-based refrigerants in the 1970s and 80s, the world's governments, for the first time, united behind a rapidly adopted environmental convention.

The so-called Montreal Protocol was signed by all 197 UN countries and came into force in 1989. It contained a number of provisions aimed at reducing the use of CFCs and led to the development of the next generation of refrigerants.

HCFCs

When CFCs were banned as a refrigerant, a number of more eco-friendly replacements were developed during the 1990s. However, as these were not quite adequately efficient, the search for completely satisfactory alternatives continued.

HCFCs (chlorofluorohydrocarbons) were the first major replacement agent for CFCs. They can also have a negative on the ozone layer, albeit significantly less than CFCs. However, HCFCs proved to contribute to a relatively recently discovered and controversial environmental problem, the so-called greenhouse effect.

The Kyoto Protocol

During the 1990s, an increasing number of research scientists started to sound the alarm about the impact of the greenhouse effect on global warming and, in the mid-1990s, the industrial countries came together to forge an international agreement in order to limit the discharges of fluorised greenhouse gases, also named F-gases.

The agreement was signed in Kyoto in 1997. The objective was to reduce annual global discharges of F-gases by at least 5.2 per cent from 1990 until the period 2008-2012. The agreement came into force in 2005 and currently 192 countries have signed the agreement.

HFCs

A replacement agent for both CFCs and HCFCs was developed in the 1990s. HFCs (fluorohydrocarbons) do not have an effect on the ozone layer and, as from the end of the 1990s, became the most common refrigerant in refrigeration, heat-pump and air-conditioning equipment. However, this refrigerant also proved to have a negative environmental impact by emitting F-gases that can force the pace of the greenhouse effect and, therefore, is the latest in a long line of refrigerants which will now be phased out.

HFOs

HFOs (hydrofluoroolefins) are a synthetic refrigerant and are not included in the F-gas ordinance and which, among other things, have been developed to meet the demands in the MAC directive (Mobile Air Conditioning).

The EU's F-gas ordinances

In order to fulfil its obligations in accordance with the Kyoto Protocol, the EU adopted an F-gas ordinance in 2006, the prime objective of which was to limit the leakage of greenhouse-generating gases in existing refrigeration systems. This ordinance proved to have a limited effect as the various participating countries' ability and ambition to comply with the rules varied significantly.

In spring 2014, a new and more extensive F-gas ordinance was, therefore, adopted aimed at restricting the sale and usage of, among others, HFC refrigerants – a decision that means that the import of HFCs will be restricted by 79 per cent from 1 January 2015 up to and including 2030.

scm ref takes its place
among the leading refrigeration manufacturers in Europe

During 2014, the strategically important decision was taken to focus the company's own product development and manufacturing of chillers within the Beijer Ref Group.

At the same time, the Beijer Ref Academy training programme was developed further in order to train and facilitate the changeover to eco-friendly refrigeration systems which will replace the systems being phased out for environmental reasons.

The decision coincided with the acquisition of the remaining 49 per cent of the shares in the Italian SCM Frigo group, a leading manufacturer in Europe of chillers with eco-friendly carbon-dioxide technology which successfully trains its collaboration partners in the latest technology.

This acquisition also became the starting point for creating Beijer Ref's OEM division, where the manufacturing companies in Sweden and France were the first to join the division.

Believed early in CO2 solutions
The fact that SCM Frigo is one of the leading companies in Europe within CO2-based refrigeration systems, with more than 1,000 installations in Europe, is largely due to foresight. As early as 2006, the company's management formed the opinion that carbon dioxide would become one of the most important refrigerants of the future and, therefore, began a consistent investment in carbon dioxide-based refrigeration systems.

At the same time, a close collaboration was initiated with the nearby university in Padua. Together with the university, SCM Frigo has carried on a number of successful projects aimed at improving the eco-friendly refrigeration technology. At the present time, more than half of the company's operation is based on natural refrigerants.

Own test centre deepens the knowledge
This early and consistently implemented venture is the explanation for the fact that the company rapidly took a leading position in Europe. The Nordic countries were also relatively early with changing over to eco-friendly technology. However, SCM Frigo soon discovered that there were significant disparities in knowledge in the different markets in Europe.

As insufficient knowledge could make the change-over to eco-friendly refrigerants more difficult, the company decided to spread its knowledge and point out the opportunities. In September 2013, a test facility was opened in the factory aimed at increasing the competence relating to eco-friendly refrigeration technology through seminars, workshops and practical tests.

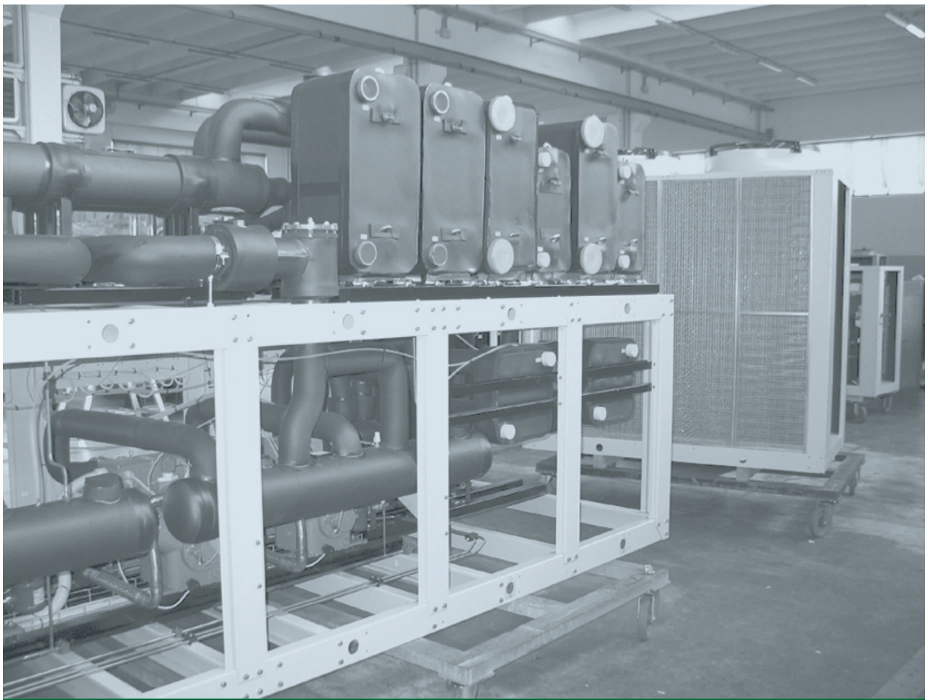
In 2013, Beijer Ref opened its own testing facility

During 2014, some 20 training programmes were arranged for around 250 participants, in addition to a number of general seminars and company-specific training programmes. The participants consist of typical Beijer Ref customers, such as builders and installation contractors, but also suppliers and sometimes also end customers from, for example, large European food chains.

Both theory and practice
The training programmes comprise both theory and practice. During the seminars, SCM Frigo explains its experience of more than a thousand installations of five

generations of eco-friendly refrigeration systems, why it chooses this refrigerant and how it is used. The next day, the specifications and the efficiency of the systems are analysed and tested in the specially-developed testing room, all with the aim of optimising components and products to ensure that the refrigeration systems make the lowest possible impact on the environment.

In 2014, Beijer Ref established the training programme offered at its Beijer Ref Academy



The Group centralises and specialises the operation in order to increase the pace of its product development for its of standard and special units.

However, it does not end there. For SCM Frigo continues its training right up to when the installation of the refrigeration facility has been completed in the end customers' own environment. Here, a final tuning is carried out to ensure that the installation will be optimised and operate at maximum efficiency.

Beijer Ref Academy contributes to sustainable solutions

SCM Frigo's already ambitious training venture continued to develop during 2014 under the name Beijer Ref Academy, with the aim of spreading the knowledge about eco-friendly solutions with a focus on CO2 technology.

As 80 per cent of a refrigeration system is linked to the external temperature, the technical solutions differ considerably depending in where in the world the system is installed. With the Beijer Ref Academy, all Beijer Ref units will be able to offer customers and collaboration partners a correct picture of the opportunities with natural refrigerants for applications in different parts of the world, regardless of climate.

Beijer Ref invests in own manufacturing

As one of the three largest and most modern refrigeration wholesalers in the world, Beijer Ref has built up a unique understanding of its customers' varying refrigeration requirements in the global market during more than 50 years' operation.

The Group is now transferring this collective refrigeration competence to a growing portfolio with products manufactured by the company itself, modelled on SCM Frigo's recipe for success. The ambition is to offer the company's customers even more competitive solutions, both within individual standard products and custom-made overall concepts.

Products developed by the company have a special focus on technology solutions, which lead to a sustainable environmental development

There has long been own manufacturing in several companies. The difference is that the Group is now centralising and specialising the operation in order to increase the pace in the product development of standard and special units.

Just as with the Beijer Ref Academy, the investment in the products manufactured by the company itself places a special focus on technical solutions which lead the sustainable environmental development and not only meets, but exceeds, the sector's increasingly strict demands by a good margin.

Sweden and France first

The European manufacturing companies are named SCM Ref and will deliver energy-efficient refrigerating systems to their respective domestic markets in Germany, Switzerland, Holland, Norway, Denmark, France and Spain.

The manufacturing company, DEM in Vislanda, was the first to join the SCM banner and has been operating under the name SCM Ref Sweden since January 2015. The next manufacturing unit which will start to work according to the new concept will be SCM Ref in Lyon in France. The other units will follow.

refrigeration market
in southern africa

Juri Benade, Managing Director, Metraclark, Southern Africa

”Metraclark is the largest refrigeration and air-conditioning wholesaler in South Africa and I have worked here for 20 years. During the past five years we have, in addition to the operation in South Africa, established a rapidly growing operation in the neighbouring countries, Namibia, Botswana, Mozambique and Zambia.

Common to these countries is a focus on improving living standards and, in this respect, modern food handling using energy-efficient and eco-friendly refrigeration systems plays an important part.

In our markets, there is an increased requirement for energy-efficient solutions. These come in the form of flexible systems, heat exchangers and general system adaptations that can provide heat recovery and sub cooling. The main aim is to maximise energy. This means there has been an increased demand for updating and replacing inefficient refrigeration and air-conditioning systems.

On the environment side, South Africa is following the EU in its work with regard to the gradual phasing out HCFC as a refrigerant, with work here starting in 2014 and targeted to end in 2041. A number of large food chains have already changed over to eco-friendly solutions using carbon dioxide and ammonia as natural refrigerants.

Namibia
Namibia is a small but stable market where HCFC refrigerants are already banned and the adaptation to new refrigerants is in progress. The market for air conditioning has matured and, having once been regarded as a luxury product, is now seen as a necessity in a hot climate by an increasing number of small companies.

Botswana
Botswana is also a small, stable and very hot country with an underdeveloped infrastructure for refrigeration distribution and the storage of fresh and frozen foods. The mining and tourist industries continue to expand, which creates new opportunities for our expansion.

The logistics centre in Johannesburg distributes products to branches in both South Africa and to the neighbouring countries

Zambia
Here, the situation resembles that in Botswana, but the population is around ten times larger. Zambia is an agricultural country with a large food industry which has a significant need to develop its refrigeration capacity.

Mozambique
Thanks to mineral reserves and natural gas, the economy in Mozambique is growing rapidly. In a climate that is hot and humid throughout the year, the demand for air conditioning is increasing strongly. The requirements for refrigeration systems for the handling of food is very considerable and, with a 250-mile coastline along the Indian Ocean, the demand of the fishing industry alone for efficient and a modern refrigeration installations is growing rapidly."

**Jonas Lindqvist, CFO,
Beijer Ref AB**

"Beijer Ref has developed from a tradition where a balance between stability, continuity and innovative thinking gives the company a strength that continues to favour us. The stability characterises the entire company and is found in the business model as well as in the organisation and the finances.

The continuity in the organisation has strong support in the long-term thinking provided by the senior executives and board members. In addition, senior executives and board members are major shareholders. This means that the shareholders' interests correspond with those of the company management.

Stability and balance in the company's economy are an important prerequisite for successful innovative thinking. Beijer Ref combines a strong focus on profitability with improvements in efficient capital utilisation, where the customers' requirements for products at the branches is balanced against an optimal cash flow. The Group is now investing even more in optimising its logistics in order to free up capital employed for further aggressive investments."

group
summary

The Board of Directors and the President of Beijer Ref AB (publ), corporate identity number 556040-8113, submit their annual report and consolidated accounts for the 2014 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 ARW business area (Air condition, Refrigaration, Wholesale) including 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 five geographic segments: Nordic countries, Southern Europe, Central Europe, Eastern Europe and A & A (Africa and Asia). Growth is achieved both organically and through the acquisition of companies which supplement existing operations.

Parent company
The 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 profit after tax of SEK 223.0M (224.6) for the 2014 financial year.

Significant events during the financial year
In January, Beijer Ref acquired all the shares in Eurocool (Pty) Ltd, a leading refrigeration wholesaler in South Africa. Eurocool was founded in 1999 and currently holds a strong market position within Beijer Ref's priority segments. The company reports sales of approximately SEK 65M and has 36 employees. The acquisition is estimated to provide cost synergies, increased efficiency and increased purchasing volumes through co-ordination with Beijer Ref's existing operation in Southern Africa. Eurocool is included in Beijer Ref's accounts from January 2014.

On 12 March, the EU Parliament voted 'yes' to the proposal about a new F-gas ordinance which was confirmed by the Council of Ministers in a vote on 14 April. As a result, the decision to phase out refrigerants with fluorised greenhouse gases (f-gases) has come into force which is predicted to have a positive effect on Beijer Ref through the investments in new technology which the end customers will gradually need to make and where Beijer Ref is well prepared for the new rules and regulations.

On 14 May, the Swedish Companies Registration Office approved the Group's change of name from G & L Beijer to Beijer Ref.

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, chillers based on eco-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, has 20 employees and will be integrated into Beijer Ref's organisation. 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.

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 approximately 800 kilometres east of Madagascar in the Indian Ocean. The company reports sales of around SEK 50M, has seven employees and is a step in the Group's expansion outside Europe.

Sales and results
Consolidated sales increased by nine per cent to SEK 7,189.0M (6,595.3). Organically, the increase in sales was 3.1 per cent compared with the previous year.

The weak demand that previously prevailed in Europe has improved. The

Scandinavian countries, as well as the United Kingdom and Ireland, enjoyed a positive development, which, above all, can be attributed to the second half of the year. Southern Europe also shows signs of stabilisation.

Commercial and industrial refrigeration reported sales of SEK 4,958.9M (4,541.1) and accounted for 69 per cent of total sales. Comfort cooling reported sales of SEK 2,112.9M (1,931.6) and accounted for 29 per cent of sales. The manufacturing companies reported sales of SEK 117.2M (122.6), equivalent to two per cent of sales.

Consolidated operating profit for the 2014 full year amounted to SEK 481.4M (377.7). The Group's financial income/expense amounted to SEK -34.9M (-31.1) for the full year. Profit before tax amounted to SEK 446.5M (346.5) for the full year and profit after tax to SEK 324.5M (244.2) for the full year. Profit per share amounted to SEK 7.46 (5.51).

Financial review	2014	2013
Operating income, SEK M	7 189.0	6 595.3
Operating profit, (EBITDA), SEK M	543.8	438.5
Operating profit, (EBIT), SEK M	481.4	377.7
Profit after financial items, SEK M	446.5	346.5
Profit for the year, SEK M	324.5	244.2
Operating margin (EBIT), %	6.7	5.7
Return on average capital employed, %	11.9	10.0
Return on average equity, %	12.9	10.1
Equity ratio, %	46.0	47.3
Cash flow from current operations, SEK M	238.1	298.3
Liquid funds (incl. Unutilised credits), SEK M	503.8	563.2
Number of employees	2 215	2 137
Profit per share after tax, SEK	7.46	5.51
Shareholders' equity per share	62	57

Profitability

Return on capital employed in operations and capital employed amounted to 12.7 per cent (10.6) and 11.9 per cent (10.0) respectively. Return on shareholders' equity was 12.9 per cent (10.1).

Capital expenditure, liquidity and employees

Consolidated capital expenditure in tangible and intangible fixed assets, including acquisitions, amounted to SEK 87.4M (57.6). Liquid funds, including unutilised bank overdraft facilities, were SEK 503.8M (563.2) at the year end. The average number of employees was 2,215 (2,137).

Cash flow, financing and equity ratio

The cash flow from current operations before change in working capital was SEK 386.5M (258.2). The net debt was SEK 1,429.8M (1,211.5). Shareholders' equity amounted to SEK 2,618.6M (2,417.0). The change in shareholders' equity amounted to SEK 201.6M (17.3). It included net comprehensive income for the year of SEK 487.9M (222.8) and a deduction for a dividend of SEK 201.4M (201.4) to the parent company's shareholders and a deduction of SEK 84.9M (0) from a minority interest. The equity ratio amounted to 46 per cent (47.3) at the year end.

Research and development

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

Prospects for 2015

The incentive package recently decided by the EU will most probably have a favourable impact on the European economic trend and could especially favour the economic recovery in Southern Europe. As 45 per cent of Beijer Ref's sales are in Europe this is, therefore, positive news. Other factors that inspire confidence ahead of the year's development are the favourable Swedish exchange rate, the Beijer Ref Group's investment in own manufacturing, the establishment of a new logistics centre in Europe and the possibility of several interesting acquisitions.

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 page 16.

Events after the year end

In January 2015, Beijer Ref signed a new exclusive distribution agreement with Carrier, the world-leading American refrigeration group. The agreement gives Beijer Ref the exclusive right to sales and service of the DX comfort cooling products in Europe. Beijer Ref already has the sole right for the distribution of Toshiba's air-conditioning units, heat pumps and ventilation systems, and the agreement with Carrier further strengthens the Group's product supply.

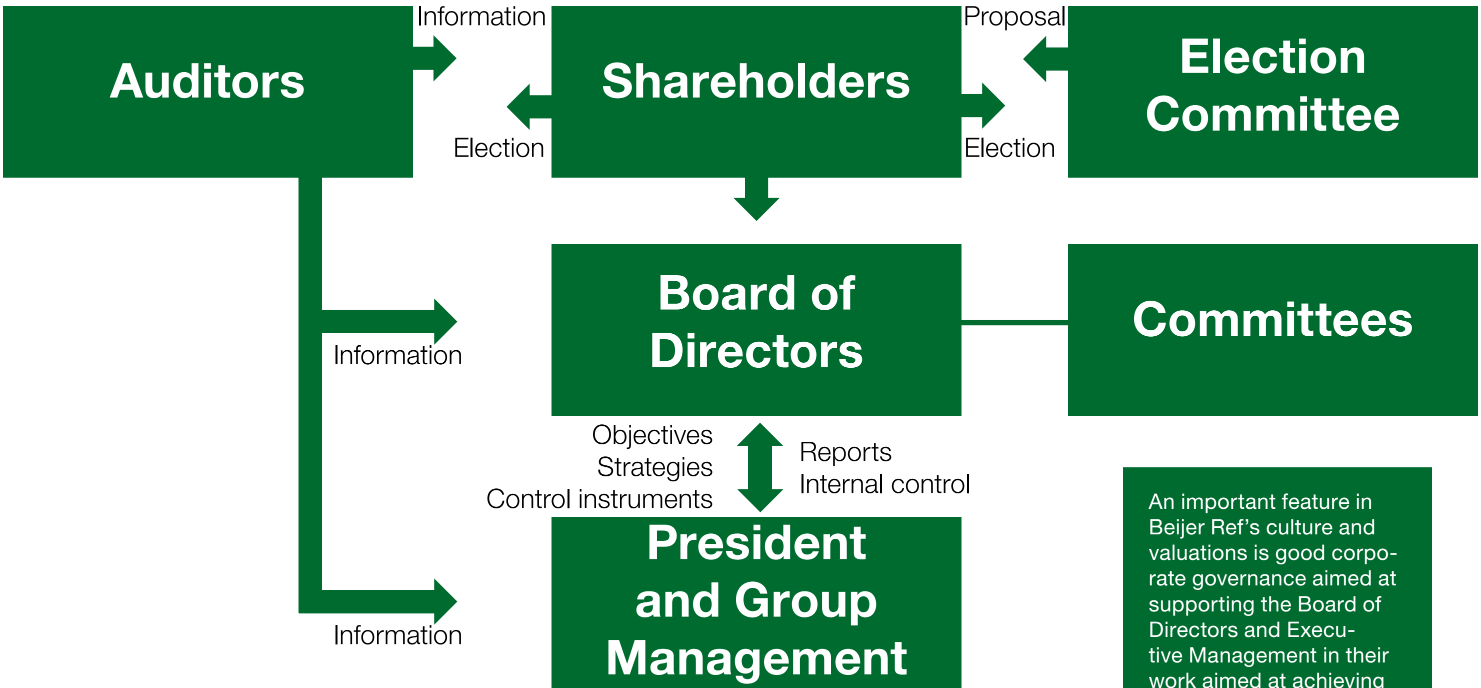
In February, Beijer Ref acquired all the shares in the refrigeration wholesale company, RNA Engineering & Trading. The company is the leading refrigeration wholesaler in Malaysia with its head office in Kuala Lumpur. The Malaysian market for commercial refrigeration is estimated to be worth nearly SEK 480M. In recent years, it has shown stable growth of around 10 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, reports sales of approximately SEK 400M and is the leading refrigeration wholesaler in New Zealand.

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 2014. 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 President. 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 President and other senior executives. Beijer Ref's Annual Meeting of shareholders is generally held in April.

2014 Annual Meeting of shareholders
The 2014 Annual Meeting of shareholders was held on 24 April 2014 in Malmö. The meeting was attended by 136 shareholders, personally or through proxies. Together, they represented approximately 83 per cent of the total votes. Four shareholders, Carrier, Peter Jessen Jürgensen, Joen Magnusson and Per Bertland, together represented around 69 per cent of the votes represented at the Meeting. Johan Sigeman was elected as Chairman of the Meeting. All Board Members elected by the Meeting were present with the exception of Harald Link and Philippe Delpech.

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 President's proposals of SEK 4.75 per share for the 2013 financial year.
• Re-election of the Board Members: Peter Jessen Jürgensen, Anne-Marie Pålsson, Bernt Ingman, Joen Magnusson, Philippe Delpech, Harald Link and William Striebe. Bernt Ingman was elected as Chairman of the Board of Directors.
• Determination of remuneration of the Board of Directors and the Auditor.
• Principles for remuneration of, and other terms of employment for, the President and other Senior Executives.
• Process for the appointment and work of the Election Committee.

The next Annual Meeting of Beijer Ref's shareholders will be held on 9 April 2015 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 6-7 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 2015 Annual Meeting of shareholders
The Election Committee was appointed in October 2014. 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 2014 Election Committee has held 3 (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 2015 Annual Meeting of shareholders
The Election Committee has worked out the following proposal to be submitted for resolution by the 2015 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, Philippe Delpech, and William Striebe
• the re-election of Bernt Ingman as Chairman of the Board of Directors
• the election of Monica Gimre and Frida Norrbom Sams
• the re-election of Pricewaterhouse-Coopers AB as the company's Auditor for 2015.

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 2014
In 2014, Beijer Ref's Board of Directors consisted of seven Members elected by the Annual Meeting of shareholders. The President 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 President. 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 2014
During 2014, the Board of Directors of Beijer Ref held five 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 2014 focused extensively on matters relating to strategy in a weaker European market and continued expansion.

The company's Auditors were present at the Board Meeting which discussed the annual accounts and the 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 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 President.

Anne-Marie Pålsson participated in four and Philippe Delpech in two Board Meetings. The other Board Members participated in all five Board Meetings.

Evaluation of the Members of the Board of Directors in 2014
The Chairman of the Board of Directors is responsible for the evaluation of the Board's work, including the achievements of the individual Members. This is made annually in accordance with an established process. During 2014, evaluation has been made, partly as a self-assessment, where the Chairman interviewed all Board Members individually, partly through interviews and discussions between the Election Committee and individual Board Members, and through a feed-back and discussion involving the entire Board of Directors. The evaluation focuses on, among other things, the existence of, and requirement for, specific competence as well as working procedures. The evaluation also constitutes support for the Election Committee with regard to the proposal for Board Members and remuneration levels. The evaluation has been communicated to the Election Committee and has formed supporting information for the proposals for Board Members and the remuneration levels for these Board Members.

Board of Directors' Committees
The Board of Directors constitutes an Audit Committee and fulfils 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 (6) Meetings during 2014. 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 2014 Annual Meeting of shareholders as Beijer Ref's auditor for a term until the 2015 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 to create 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 President, 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.

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

At the 2014 year end, the Group Management consisted of seven persons. During 2014, the Group Management held three meetings. The meetings are focused on the Group's structural and operational development and result monitoring.

For further information about the Group Management, see page 32-33.

Remuneration of senior executives
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. 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.

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

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
- Finance policy
- Finance manual
- Internal Control process
- Process for Whistle-blower

which are vested in the different legal entities. The management work is based on the work of the Board of Directors which is the backbone of the company management. This starts from Beijer Ref and goes out, via the business area Board of Directors, 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

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.

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 President 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

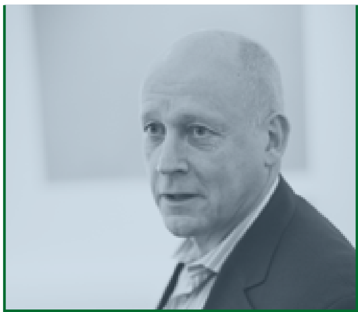
Liquidity risk

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 21 markets in Europe as well as in Southern Africa and Asia. 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, SEK, CHF, DKK 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 Schneidlerföretagen AB. Board Member of SBC Sveriges BostadsrättsCentrum AB.	Kungliga Fysiografiska Sällskapets Ekonomiska råd, and other assignments.	Chairman of Bio Aqua ApS and Profort A/S. Board Member of IKI Invest A/S and Labotek A/S.
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 March 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 5 out of 5	Board Member 5 out of 5	Board Member 5 out of 5
Remuneration 2014:	500 sek k	270 sek k	270 sek k

William Striebe	Philippe Delpech	Anne-Marie Pålsson	Harald Link
			
1950	1962	1951	1955
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, Economics degree from INSEAD Asia and IAE in France and graduate mechanical engineer from ENIT, France.	MA graduate from the University of California and PHD in economics from the University of Lund.	Master of Business Administration from University of St. Gallen, Switzerland.
2009	2009	2003	2010
Vice President Business Development, UTC Building and Industrial Systems.	Chief Operating Officer of UTC Building & Industrial Systems - Intercontinental Operations	Associate Professor at the University of Lund. Executive Member of Kungliga Ingenjörsvetenskapsakademin and Kungliga Skogs- och Lantbruksakademin.	Chairman of Amata B. Grimm Power Ltd, Amata Power (Bien Hoa) Ltd., B. Grimm Power Corporation, and Carrier (Thailand) Ltd. Board Member of Siemens Ltd., Carl Zeiss Ltd., Merck Ltd., Siam City Cement Public Co. Ltd. and True Corporation Public Co., Ltd.
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	Yes, of the company and of the largest shareholders. No, of the Management.
Vice President, Business Development, United Technologies Building and Industrial Systems. Legal adviser to Carrier Corporation's operations in Europe, the Middle East and Africa. Vice-President within legal matters for Carrier's North-American operation. Vice President with responsibility for 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.	Member of the Swedish Parliament during the period 2002-2010.	Chairman and CEO of B. Grimm Group, Bangkok, Thailand. Previously Executive in the same company. Harald Link has held leading positions in the B. Grimm group for more than 30 years.
0 A shares 0 B shares	0 A shares 0 B shares	0 A shares 3,000 B shares	0 A shares 10,060 B shares
0 A shares 0 B shares	0 A shares 0 B shares	0 A shares 3,000 B shares	0 A shares 10,060 B shares
Board Member 5 out of 5	Board Member 2 out of 5	Board Member 4 out of 5	Board Member 5 out of 5
–	–	270 sek k	270 sek k

senior executives

Standing, from left:
Olivier Gandy, CFO Beijer Ref Toshiba HVAC, **Johan Bökman,** Logistics Manager Beijer Ref, **Jonas Steen,** Vice President Beijer Ref ARW, **Jonas Lindqvist,** CFO and Executive Vice President, Beijer Ref.

Sitting, back row, from left:
Enrique Gibelli, Vice President Beijer Ref ARW, **Marco Curato,** Procurement Beijer Ref ARW, **Robert Schweig,** Vice President Beijer Ref ARW, Procurement, **Per Bertland,** CEO & President, Beijer Ref.

Sitting, front row, from left:
Yann Talhouet, COO & Executive Vice President Beijer Ref Toshiba HVAC, **Simon Karlin,** COO & Executive Vice President Beijer Ref ARW.

Management

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

Education: MBA, University of Lund.

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

Shareholding March 2015: 787.000 A shares, 125.000 B shares

Shareholding 2014: 585.856 A shares, 252.000 B shares

Shareholding 2013: 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 2014: 0 shares, 1.110 B shares

Shareholding 2013: 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 2014: 0 A shares, 39.600 B shares

Shareholding 2013: 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 2013: 0 A shares, 0 B shares

Jonas Steen
Vice President Beijer Ref ARW, Nordic, East Europe & Asia. 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 2014: 0 A shares, 2.000 B shares

Shareholding 2013: 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 2014: 0 A shares, 1.283 B shares

Shareholding 2013: 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 2014: 0 A shares, 0 B shares

Shareholding 2013: 0 A shares, 0 B shares

AUDITORS

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

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

financial information

Consolidated profit and loss account

SEK K	Note	2014	2013
OPERATING INCOME			
Net sales	5	7 188 960	6 595 346
Other operating income	7	20 908	13 745
Total income		**7 209 868**	**6 609 091**
OPERATING EXPENSES			
Raw materials and necessities		-285 109	-251 161
Goods for resale		-4 715 385	-4 354 400
Other external costs	8, 9	-599 647	-570 191
Remuneration of employees	6	-1 064 764	-993 598
Depreciation and write-down of intangible and tangible fixed assets	18, 19	-62 263	-60 769
Other operating expenses		-1 286	-1 284
Operating profit		**481 414**	**377 688**
Result of holdings in associated companies	10	—	179
Financial income	11	3 142	6 548
Financial expenses	12	-38 022	-37 876
Profit before taxes		**446 534**	**346 539**
Tax on the year's profit	14	-122 022	-102 365
Net profit for the year	15	**324 512**	**244 174**
Attributable to:			
The parent company's shareholders		316 448	233 781
Non-controlling interests		8 064	10 393
The year's profit per share, sek[1]	16	7,46	5,51
Dividend per share, sek[2]	17	5,00	4,75

1) No dilution exists
2) For 2014, in accordance with the Board of Directors' proposal

The Group's report on other comprehensive income

2013	SEK K	Note	2014
Net profit for the year		324 512	244 174
OTHER COMPREHENSIVE INCOME			
Items which will not be reversed in the profit and loss account			
Revaluation of the net pension commitment		-6 713	-799
Items which can later be reversed in the profit and loss account			
Exchange rate differences		178 399	-19 837
Hedging of net investment		-9 260	-3 161
Cash flow hedging	3, 14	994	2 386
Other comprehensive income for the year		**163 420**	**-21 411**
Total comprehensive income for the year		**487 932**	**222 763**
Attributable to:			
The parent company's shareholders		474 828	212 601
Non-controlling interests		13 104	10 162

Consolidated balance sheet

SEK K	Note	2014-12-31	2013-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	18	1 461 197	1 362 676
Tangible fixed assets	19	273 928	253 501
Financial assets available for sale	21	85 954	80 782
Deferred tax assets	27	110 627	96 335
Trade debtors and other receivables	22	73 645	63 757
Total fixed assets		**2 005 351**	**1 857 051**
Current assets			
Inventories	23	1 941 052	1 700 851
Trade debtors and other receivables	22	1 499 623	1 351 621
Income taxes recoverable		16 410	17 601
Liquid funds	24	236 092	181 351
Total current assets		**3 693 177**	**3 251 424**
TOTAL ASSETS		**5 698 528**	**5 108 475**
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		-104 654	-269 747
Profit brought forward		1 423 656	1 364 827
Total		**2 591 859**	**2 367 937**
Non-controlling interests	35	26 784	49 032
Total equity		**2 618 643**	**2 416 969**
LIABILITIES			
Long-term liabilities			
Borrowing	26, 31	1 074 410	810 918
Other long-term liabilities		25 091	19 264
Deferred tax liabilities	27	73 992	64 890
Pension commitments	28, 32	82 204	78 868
Other provisions	29	18 632	14 066
Total long-term liabilities		**1 274 329**	**988 006**
Current liabilities			
Trade creditors and other liabilities	30	1 256 921	1 157 783
Borrowing	26, 31	508 314	503 064
Current tax liabilities		23 643	20 871
Other provisions	29	16 678	21 782
Total current liabilities		**1 805 556**	**1 703 500**
Total liabilities		**3 079 885**	**2 691 506**
TOTAL LIABILITIES AND EQUITY		**5 698 528**	**5 108 475**
Pledged assets	31	1 316 557	1 169 057
Contingent liabilities	32	132	548

Consolidated changes in equity

SEK K	Attributable to the parent company's shareholders				Non-controlling interests	Total equity	Note
	Share capital	**Other contributed capital**	**Reserves**	**Profit brought forward**			
Shareholders' equity on 2012-12-31	**371 685**	**901 172**	**-249 366**	**1 333 202**	**43 025**	**2 399 718**	
Net profit for the year				233 781	10 393	244 174	
Revaluation of the net pension commitment				-799		-799	2
Exchange rate differences			-19 606		-231	-19 837	
Hedging of net investment			-3 161			-3 161	
Cash flow hedging			2 386			2 386	
Other comprehensive income for the year	**–**		**-20 381**	**-799**	**-231**	**-21 411**	
Total comprehensive income for the year	**–**		**-20 381**	**232 982**	**10 162**	**222 763**	
Dividend for 2012				-201 357	-4 155	-205 512	17
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**	

Consolidated cash flow statement

SEK K	Note	2014	2013
CURRENT OPERATIONS			
Operating profit		481 414	377 688
Adjustments for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets	18, 19	62 263	60 769
Change in pension, guarantee and other provisions		-10 607	-361
Profit on sale of tangible fixed assets		-161	872
Total		**532 909**	**438 968**
Paid interest	12	-37 468	-37 492
Paid income tax		-108 912	-143 303
Cash flow from current operations before changes in working capital		**386 529**	**258 173**
CHANGES IN WORKING CAPITAL			
Change in inventories		-71 702	-34 954
Change in operating receivables		-23 391	-7 824
Change in operating liabilities		-53 356	82 938
Cash flow from current operations		**238 080**	**298 333**
INVESTMENT OPERATIONS			
Received interest	11	3 015	4 906
Acquisition of tangible and intangible fixed assets	18, 19	-58 986	-49 708
Liquid funds in acquired operations	33	7 607	1 013
Acquisition of operations	33	-37 604	-9 089
Sale of operations		—	3 476
Sale of tangible fixed assets		4 853	—
Cash flow from investment operations		**-81 115**	**-49 402**
FINANCIAL OPERATIONS			
Acquisition of shares and participations		-84 901	—
Raising of loans		170 806	—
Amortisation of liabilities		—	-48 997
Paid dividend to shareholders		-201 357	-201 357
Dividend to owners with non-controlling interest	35	—	-4 155
Cash flow from financial operations		**-115 452**	**-254 509**
Change in liquid funds		**41 513**	**-5 578**
Exchange rate difference, liquid funds		13 228	-1 803
Liquid funds on 1 January		181 351	188 732
Liquid funds on 31 December	24	**236 092**	**181 351**

Parent company profit and loss account

SEK K	Note	2014	2013
OPERATING INCOME			
Other operating income	7	21 078	14 119
Total income		**21 078**	**14 119**
OPERATING EXPENSES			
Other external costs	8	-10 487	-11 245
Personnel costs	6	-19 774	-32 318
Depreciation and write-down of intangible and tangible fixed assets	18, 19	-441	-632
Operating profit		**-9 624**	**-30 076**
RESULT OF FINANCIAL INVESTMENTS			
Result of participations in Group companies and associated companies	10	223 408	232 269
Financial income	11	754	2 719
Financial expenses	12	-6 171	-1 230
Profit after financial investments		**208 367**	**203 682**
APPROPRIATIONS			
Appropriations	13	14 393	19 725
Profit before taxes		**222 760**	**223 407**
Tax on the year's profit	14	192	1 161
Net profit for the year	**15**	**222 952**	**224 568**

Parent company's report on other comprehensive income

SEK K	2014	2013
Net profit for the year	222 952	224 568
Total comprehensive income for the year	**222 952**	**224 568**

Parent company balance sheet

SEK K	Note	2014-12-31	2013-12-31
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Capitalised expenditure for software	18	235	234
Total intangible fixed assets		**235**	**234**
Tangible fixed assets			
Equipment, tools and installations	19	3 773	1 615
Total tangible fixed assets		**3 773**	**1 615**
Financial fixed assets			
Participations in Group companies	20	1 147 739	1 147 739
Deferred tax recoverable	27	1 353	1 161
Receivables from Group companies		200 464	142 552
Other long-term securities holdings		1 000	54
Total financial fixed assets		**1 350 556**	**1 291 506**
TOTAL FIXED ASSETS		**1 354 564**	**1 293 355**
CURRENT ASSETS			
Current receivables			
Receivables from Group companies		1 511 282	441 508
Other current receivables		281	597
Prepaid expenses and accrued income		389	188
Total current receivables		**1 511 952**	**442 293**
Cash and bank			
Cash and bank		97	30
TOTAL CURRENT ASSETS		**1 512 049**	**442 323**
TOTAL ASSETS		**2 866 613**	**1 735 678**
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		238 722	215 511
Net profit for the year		222 952	224 568
Total non-restricted equity		**1 363 278**	**1 341 683**
TOTAL EQUITY		**1 734 963**	**1 713 368**
LIABILITIES			
Long-term liabilities			
Borrowing	26	1 050 087	—
Long-term interest-bearing liabilities to Group companies		57 912	—
Other long-term liabilities		1 067	67
Total long-term liabilities		**1 109 066**	**67**
Current liabilities			
Trade creditors		1 013	1 333
Liabilities to Group companies		4 938	4 002
Other liabilities		4 709	3 822
Accrued expenses and prepaid income		11 924	13 086
Total current liabilities		**22 584**	**22 243**
TOTAL EQUITY AND LIABILITIES		**2 866 613**	**1 735 678**
Pledged assets	31	417 452	417 452
Contingent liabilities	32	1 619 435	1 423 957

Parent company changes in equity

SEK K	Share capital	Non-restricted equity	Total equity	Note
Equity on 2012-12-31	**371 685**	**1 318 472**	**1 690 157**	
Net profit for the year		224 568	224 568	
Total comprehensive income for the year	**–**	**224 568**	**224 568**	
Dividend for 2012		-201 357	-201 357	17
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**	

Parent company cash flow statement

SEK K	Note	2014	2013
CURRENT OPERATIONS			
Operating profit		-9 624	-30 076
Adjustment for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets	18, 19	441	632
Profit on sale of tangible fixed assets		-68	743
Total		**-9 251**	**-28 701**
Received interest and dividend		224 162	233 792
Paid interest		-6 171	-1 230
Paid income tax		400	-400
Cash flow from current operations before changes in working capital		**209 140**	**203 461**
CHANGES IN WORKING CAPITAL			
Change in operating receivables		-5 525	-83
Change in operating liabilities		341	-124
Cash flow from current operations		**203 956**	**203 254**
INVESTMENT OPERATIONS			
Acquisition of intangible and tangible fixed assets	18, 19	-2 862	-1 942
Sale of tangible fixed assets		330	—
Cash flow from investment operations		**-2 532**	**-1 942**
FINANCIAL OPERATIONS			
Paid dividend		-201 357	-201 357
Cash flow from financial operations		**201 357**	**-201 357**
Change in cash and bank		**67**	**-45**
Cash and bank on 1 January		30	75
Cash and bank on 31 December		**97**	**30**

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.

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 16 March 2015.

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 2014, 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 2014, several standards and interpretations have been published which have not yet come into force. Below follows a preliminary assessment of the effect the implementation of these standards and pronouncements could have 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.

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. For acquisitions in the 2009 financial year and previous years, the acquisition cost for an acquisition consists of the actual value of assets paid as consideration, issued equity instruments and arisen or acquired liabilities on the date of transfer, plus costs directly attributable to the acquisition. Identifiable acquired assets and liabilities and contingent commitments in the acquisition of a company are initially valued at actual values on the date of acquisition, regardless of the extent of any minority interest. The surplus, which constitutes the difference between the acquisition value and the actual value of the Group's share of identifiable acquired net assets, is reported as goodwill. If the acquisition cost is less than the actual value of the acquired subsidiary's net assets, the difference is reported direct in the profit and loss account.

For acquisitions during the 2010 financial year and future-oriented, the consideration for 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.

If the ownership in an associated company decreases, but a significant interest nevertheless remains, only a proportional share of the amount which has previously been reported in other comprehensive income, where relevant, is reclassified to the result.

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 2014, the Group had the following operating segments: Southern Europe, the Nordic countries, Central Europe, Eastern Europe, and A&A, (Africa and Asia). 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. Expenditure for internally generated goodwill and brands is reported as a cost in the profit and loss account as they arise. 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 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.

Other development expenditure is reported as costs as it arises. Development expenditure which has previously been reported as a cost is not reported as an asset in the ensuing period. 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/associated company's identifiable net assets on the date of acquisition. Goodwill on acquisition of subsidiaries is reported as intangible assets. Goodwill on acquisition of associated companies is included in the value of holdings in associated companies. 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 and A&A, which are the same as those identified as operating segments.

The following amortisation periods are applied:

	Group	Parent company
Acquired intangible assets:		
Computer programs	3-5 years	3 years
R & D	5 years	—
Agencies, customer lists, trademarks, etc	10-40 years	—

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 2014 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 reported at actual value both initially and in subsequent periods with value changes in other total results. 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 and associated companies, 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. The variable remuneration is based on qualitative and quantitative target fulfilment. 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 36.

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, including 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 draws up written 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 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	Total liabilities	
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.

31/12 2013	Loan receivables and trade debtors	Financial assets available for sale	Total
Assets in the balance sheet			
Financial assets available for sale		80 782[1)]	80 782
Trade debtors and other receivables	1 415 378		1 415 378
Liquid funds	181 351		181 351
Total	1 596 729	80 782	1 677 511
		Other financial liabilities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		825 269	825 269
Bank overdraft facilities		488 713	488 713
Trade creditors and other liabilities		1 157 783[2)]	1 157 783
Total		2 471 765	2 471 765

1) Financial assets available for sale are valued in accordance with level 3. See Note 21.
2) Includes hedging instruments amounting to 5,016 valued in accordance with level 2 which after tax amounts to 3,912, of which the year's influence on comprehensive income amounts to 2,386.

Market risk
Currency risks
The Group is exposed to transaction risks on acquisitions/sales and financial transactions in foreign currency. The currency exposure relates primarily to the 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 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 agreements.

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 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 convert 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 rate 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 rate is under continuous consideration by the Beijer Ref AB's Board of Directors.

Credit risk
The Group has no significant concentration of credit risks. The Group has established guidelines for ensuring 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 through sufficient agreed bank overdraft facilities. On the balance sheet date, liquid funds including unutilised bank overdraft facilities totalled SEK 503.8M (563.2). 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.

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-bearing liabilities reduced by liquid funds in relation to shareholders' equity.

Group	2014	2013
Interest-bearing liabilities	1 664 928	1 392 850
Liquid funds	-236 092	-181 351
Net debt	1 428 836	1 211 499
Shareholders' equity	2 618 643	2 416 969
Net debt ratio	0.55	0.50

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 37 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. In 2014, a decision was made for a new segment classification when, as from 1 January 2014, the highest executive decision maker monitors the operation based on the following segments: Southern Europe, the Nordic countries, Central Europe, Eastern Europe and A & A. For a further description of the regions, reference is made to pages 12-15. The segments reporting for the regions contains the profit and loss account up to and including operating profit, and working capital. The working capital included inventories, trade debtors and trade creditors and is based on an average of the four quarters of the year. Undistributed costs in the table below represent Group-wide costs.

	Group		Southern Europe	
	2014	2013	2014	2013
REVENUES				
Sales	7 653 374	7 006 556	3 047 337	2 937 008
Internal sales	-464 414	-411 210	-247 250	-217 360
Total revenues	**7 188 960**	**6 595 346**	**2 800 087**	**2 719 648**
RESULTS				
Results	533 098	463 782	174 315	174 653
Undistributed costs	-51 684	-86 094		
Operating profit	**481 414**	**377 688**	**174 315**	**174 653**
Result of holdings in associated companies	—	179		
Financial income	3 142	6 548		
Financial expenses	-38 022	-37 876		
Tax on the year's profit	-122 022	-102 365		
Net profit for the year	**324 512**	**244 174**		
OTHER INFORMATION				
Working capital	2 404 909	2 150 700	923 124	856 174
Depreciation	62 263	60 769	19 592	13 094

Nordic countries		Central Europe		Eastern Europe		A & A	
2014	2013	2014	2013	2014	2013	2014	2013
1 357 490	1 215 346	2 096 024	1 799 834	319 023	294 928	833 500	759 440
-73 773	-66 826	-136 551	-117 341	-6 840	-9 683	—	—
1 283 717	**1 148 520**	**1 959 473**	**1 682 493**	**312 183**	**285 245**	**833 500**	**759 440**
142 523	123 602	114 510	70 283	25 751	19 648	75 999	75 596
142 523	**123 602**	**114 510**	**70 283**	**25 751**	**19 648**	**75 999**	**75 596**
412 535	367 514	605 676	526 749	138 028	129 452	325 546	270 811
15 457	25 238	22 039	18 026	2 719	2 124	2 456	2 287

Geographic regions

The sales figures are based on the country in which the customer is located. Assets and investments are reported where the asset is located.

	Sales		Assets		Investments	
	2014	2013	2014	2013	2014	2013
France	1 811 192	1 768 349	1 304 550	1 395 703	10 962	8 208
United Kingdom	622 873	615 231	450 786	409 566	7 881	7 986
The Netherlands	671 257	551 526	376 855	347 224	7 358	3 279
South Africa	667 600	549 253	472 700	382 176	3 497	5 756
Italy	627 588	476 094	620 854	629 730	2 228	2 361
Denmark	410 090	339 931	328 600	338 922	2 821	188
Spain	361 307	338 841	329 054	232 349	3 057	2 059
Sweden	318 780	325 068	354 150	314 762	5 972	4 022
Switzerland	308 776	301 947	395 854	352 925	4 727	2 691
Norway	309 016	264 901	265 018	213 175	4 049	2 448
Finland	245 831	192 353	110 103	106 360	1 127	3 910
Germany	216 968	169 211	279 487	186 248	2 137	3 529
Thailand	165 900	164 975	112 231	87 607	27	348
Poland	141 814	125 972	115 452	101 151	702	301
Belgium	92 332	89 330	34 056	34 029	236	208
Other European countries	217 636	247 038	148 778	130 993	2 205	2 414
Rest of the world	0	75 326	0	0	0	0
Total	**7 188 960**	**6 595 346**	**5 698 528**	**5 262 920**	**58 986**	**49 708**
Undistributed assets/Eliminations			—	-154 445		
Total assets			**5 698 528**	**5 108 475**		

6 Employees and remuneration of employees

Average number of employees	2014		2013	
Parent Company	Total	of whom men	Total	of whom men
Sweden	5	60%	5	60%
Total in Parent Company	**5**	**60%**	**5**	**60%**
Dotterbolagen	Total	of whom men	Total	of whom men
France	471	97%	475	81%
South Africa	393	87%	339	88%
United Kingdom	189	69%	185	68%
Italy	180	81%	174	82%
The Netherlands	169	81%	162	79%
Spain	116	73%	115	72%
Sweden	95	85%	104	87%
Norway	110	89%	96	89%
Switzerland	82	73%	90	70%
Denmark	70	89%	70	80%
Thailand	65	31%	63	29%
Germany	51	82%	44	80%
Poland	40	83%	39	85%
Finland	38	79%	37	78%
Hungary	28	79%	28	82%
Romania	23	70%	25	68%
Belgium	20	85%	20	85%
Czech Republic	12	83%	10	80%
Mozambique	9	78%	9	78%
Estonia	8	88%	8	88%
Ireland	10	80%	8	63%
Lithuania	7	71%	7	71%
Latvia	7	71%	6	83%
Zambia	5	80%	5	80%
Botswana	5	60%	5	60%
Slovakia	4	75%	4	75%
Namibia	3	100%	4	100%
Total in subsidiaries	**2210**	**79%**	**2132**	**79%**
Total Group	**2215**	**79%**	**2137**	**79%**

Salaries, other remuneration and social costs (sek k)	**2014** Salaries & other remuneration	Social costs	Total remuneration of employees	**2013** Salaries & other remuneration	Social costs	Total remuneration of employees
Parent company	13 040	6 734	19 774	20 079	12 239	32 318
of which pension costs [1]		2 033	2 033		4 813	4 813
Subsidiaries	777 432	186 067	963 499	707 158	174 133	881 291
of which pension costs		48 630	48 630		42 183	42 183
Group	**790 472**	**192 801**	**983 273**	**727 237**	**186 372**	**913 609**
of which pension costs [2]		**50 663**	**50 663**		**46 996**	**46 996**

1) Of the parent company's pension costs, SEK 1,119K (3,479) relate to the Board of Directors and the President.
2) Of the Group's pension costs, SEK 5,726K (8,325) relate to the Board of Directors and the President.

Benefits for senior executives
For 2014, a directors' fee of SEK 500K was paid to the Chairman and SEK 270K to each of the other Board Members with the exception of Board Members employed in Beijer Ref or in the UTC group, to whom no remuneration has been paid. As in the previous year, the Board consists of six men and one woman. The President, Per Bertland, has received a salary, remuneration and other benefits amounting to SEK 6,787K (3,730), including a bonus payment of SEK 2,244K (0). 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 President is 65. Where notice of termination is given by the company, the President will receive 12 months' salary and the company will pay a pension insurance premium of 26 per cent and, in addition, 12 months' severance pay. Notice of termination by the President 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. The bonus payment is based on qualitative and quantitative target fulfilment.

The Group's other senior executives, consists of six men (six men). For further information about the senior executives, see pages 30-31. They received salary, remuneration and other benefits amounting to SEK 13,106K (9,340) including bonus payments of SEK 3,296K (372). Pension solutions to three of the senior executives are contribution-based and amount to 24 per cent of gross salary. The other senior executives have defined benefit pension solutions the terms of which are based on rules and regulations in France and Holland, respectively. Where notice of termination is given by the by the company, the senior executives receive between three and 12 months' salary.

The Board of Directors handles matters relating to remuneration of the senior executives on President and Executive Vice President level. The Board, as a whole, constitutes the Remuneration Committee. However, the President 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	2014	2013
Rents	5 264	4 952
Exchange gains	2 042	2 023
Capital gain	649	1 381
Commission	136	181
Other	12 817	5 208
Total	**20 908**	**13 745**
Parent company		
Group revenues	19 757	14 119
Exchange gains	68	—
Other	1 253	—
Total	**21 078**	**14 119**

8 Remuneration of auditors

Group	2014	2013
PwC		
Audit assignment	7 830	7 299
Audit business in addition to audit assignment	270	302
Tax consultancy	578	369
Other services	1 173	1 375
Total	**9 851**	**9 345**
Övriga revisorer		
Audit assignment	305	373
Total	**305**	**373**
Total	**10 156**	**9 718**

Parent company

PwC		
Audit assignment	1 020	1 010
Audit business in addition to audit assignment	270	302
Tax consultancy	117	41
Other services	447	627
Total	**1 854**	**1 980**

9 Lease contracts

Group	2014	2013
The year's leasing cost	141 087	133 795
Leasing charge which falls due		
- within 1 year	104 681	103 113
- within 1-5 years	231 361	224 595
- later than 5 years	94 060	109 426

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 and associated companies

Group	2014	2013
Share of profit in associated companies	—	179
Total	**—**	**179**
Parent company		
Dividends received, Group companies	223 408	232 269
Total	**223 408**	**232 269**

In 2014, the parent company has received dividends of SEK 150,000K (150,000) from G & L Beijer Ref AB and SEK 73,408K (82,269) from GFF SA.

11 Financial income

Group	2014	2013
Interest income	2 996	4 655
Exchange gain	127	1 492
Capital gain	—	150
Other financial income	19	251
Total	**3 142**	**6 548**
Parent company		
Interest income, Group companies	709	1 502
Interest income, external	45	21
Exchange gain	—	1 196
Total	**754**	**2 719**

12 Financial expenses

Group	2014	2013
Interest expenses	-36 743	-34 322
Exchange loss	-554	-808
Other	-725	-2 746
Total	**-38 022**	**-37 876**
Parent company		
Interest expenses, Group companies	-1 129	-1 142
Interest expenses, external	-4 933	-88
Exchange loss	-109	—
Total	**-6 171**	**-1 230**

13 Appropriations

Parent company	2014	2013
Group contribution	14 393	9 419
Tax allocation reserve, the year's change	—	9 612
Difference between book depreciation and depreciation according to plan		
– Equipment, tools and installations	—	694
Total	**14 393**	**19 725**

14 Tax on the year's profit

Parent company	2014	2013
Current tax	-114 783	-106 080
Deferred tax (Note 29)	-7 239	3 715
Tax on the year's profit	**-122 022**	**-102 365**
Reconciliation of effective tax		
Profit before taxes	446 534	346 539
Tax expense calculated according to actual tax rate, 22% (22%)	-98 237	-76 239
Effect of different tax rates	-5 226	-3 290
Non-deductible costs	-20 688	-23 766
Non-taxable income	4 205	3 799
Tax attributable to previous years	-1 420	1 187
Reported loss carry forward	1 364	-2 270
Other	-2 020	-1 786
Net effective tax	**-122 022**	**-102 365**
Effective tax rate	27,3%	29,5%

Parent company		
Current tax	—	—
Deferred tax (Note 29)	192	1 161
Tax on the year's profit	**192**	**1 161**
Reconciliation of effective tax		
Profit before taxes	222 760	223 407
Tax expense calculated according to actual tax rate, 22% (22%)	-49 007	-49 150
Non-deductible costs	-232	-788
Non-taxable income	49 431	51 099
Tax attributable to previous years	—	—
Net effective tax	**192**	**1 161**
Effective tax rate	-0,1%	-0,5%

Deferred tax expense in other comprehensive income amounts to SEK -517K (-434) and relates to cash flow hedging -281K (-673) and pension provisions -236K (239).

15 Currency effect in result

Parent company	2014	2013
Currency effect in operating profit	2 042	2 023
Currency effect in financial income and expenses	-427	684
Currency effect in profit after tax	**1 615**	**2 707**

Parent company		
Currency effect in financial income and expenses	-109	1 196
Currency effect in profit after tax	**-109**	**1 196**

16 Profit per share

	2014	2013
Profit attributable to the parent company's shareholders	316 448	233 781
Weighted average number of outstanding shares	42 391 030	42 391 030
Profit per share, sek*	7.46	5.51

*) No dilution exists

17 Dividend per share

Dividends paid during 2014 and 2013 amounted to SEK 201,357K (SEK 4.75 per share) respectively.

A dividend of SEK 5.00 per share for 2014, SEK 211,955K in total, will be proposed at the Annual Meeting of shareholders on 9 April 2015.

18 Intangible fixed assets

CAPITALISED EXPENDITURE FOR SOFTWARE

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	102 964	96 963
Acquisitions during the year	5 847	7 736
Divestments and disposals	-73	-4 547
Reclassification	964	1 081
The year's translation differences	6 019	1 731
Total	**115 721**	**102 964**
Accumulated amortisation		
On 1 January	-76 730	-70 042
The year's amortisation	-8 657	-9 449
Divestments and disposals	—	4 470
Reclassification	—	-320
The year's translation differences	-4 623	-1 389
Total	**-90 010**	**-76 730**
RESIDUAL VALUE	25 711	26 234

CAPITALISED EXPENDITURE FOR RESEARCH AND DEVELOPMENT, ETC

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	3 269	3 268
Acquisitions during the year	891	441
Reclassification	—	-510
The year's translation differences	169	70
Total	**4 329**	**3 269**
Accumulated amortisation		
On 1 January	-1 713	-1 855
The year's amortisation	-191	-133
Reclassification	—	294
The year's translation differences	-36	-19
Total	**-1 940**	**-1 713**
RESIDUAL VALUE	2 389	1 556

AGENCIES, CUSTOMER LISTS, TRADEMARKS, ETC

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	519 445	519 091
The year's translation differences	3 764	354
Total	**523 209**	**519 445**
Accumulated amortisation		
On 1 January	-38 731	-25 564
The year's amortisation	-13 853	-13 532
The year's translation differences	-706	365
Total	**-53 290**	**-38 731**
RESIDUAL VALUE	469 919	480 714

GOODWILL

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	854 172	831 391
Acquisition of companies	27 421	7 167
The year's translation differences	81 585	15 614
RESIDUAL VALUE	963 178	854 172

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 extrapolated with the aid of estimated growth and future profitability development. 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, which amounts to 7.93 per cent (8.76) 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.

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 means a reduction of the recovery value by 12 per cent (11). A prudent margin remains to the book value.

The calculation has shown that there is no need for a write-down. The same discount rate has been applied for all cash-generating units which correspond with the Group' segment classification. Experience shows that the risk is similar irrespective of segment.

GOODWILL PER SEGMENT	**2014**
Nordic countries	410 004
Central Europe	191 140
Southern Europe	262 609
Eastern Europe	10 483
A & A	88 942
Total	**963 178**

TOTAL INTANGIBLE FIXED ASSETS

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	1 479 850	1 450 713
Acquisitions during the year	6 738	8 177
Acquisition of companies	27 421	7 167
Divestments and disposals	-73	-4 547
Reclassification	964	571
The year's translation differences	91 537	17 769
Total	**1 606 437**	**1 479 850**
Accumulated amortisation		
On 1 January	-117 174	-97 461
The year's amortisation	-22 701	-23 114
Divestments and disposals	—	4 470
Reclassification	—	-26
The year's translation differences	-5 365	-1 043
Total	**-145 240**	**-117 174**
RESIDUAL VALUE	1 461 197	1 362 676

CAPITALISED EXPENDITURE FOR SOFTWARE

Parent company		
Accumulated acquisition values	**2014**	**2013**
On 1 January	1 821	1 744
Acquisitions during the year	170	77
Total	**1 991**	**1 821**
Accumulated amortisation		
On 1 January	-1 587	-1 189
The year's amortisation	-169	-398
Total	**-1 756**	**-1 587**
RESIDUAL VALUE	235	234

19 Tangible fixed assets

BUILDINGS AND LAND

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	215 436	214 753
Acquisitions during the year	2 745	1 813
The year's translation differences	8 064	-1 130
Total	**226 245**	**215 436**
Accumulated depreciation		
On 1 January	-89 663	-83 162
The year's depreciation	-4 254	-5 321
The year's translation differences	-4 219	-1 180
Total	**-98 136**	**-89 663**
RESIDUAL VALUE	128 109	125 773

MACHINERY AND OTHER TECHNICAL PLANT

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	76 180	72 385
Acquisitions during the year	8 159	9 187
Divestments and disposals	-2 013	-1 273
Reclassification	18	117
The year's translation differences	2 250	-4 236
Total	**84 594**	**76 180**
Accumulated depreciation		
On 1 January	-50 837	-49 081
The year's depreciation	-5 130	-4 557
Divestments and disposals	1 198	604
Reclassification	-18	-744
The year's translation differences	-1 153	2 941
Total	**-55 940**	**-50 837**
RESIDUAL VALUE	28 654	25 343

EQUIPMENT, TOOLS AND INSTALLATIONS

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	375 962	352 515
Acquisitions during the year	38 888	30 277
Acquisition of companies	2 989	1 703
Divestments and disposals	-15 922	-17 190
Reclassification	166	713
The year's translation differences	27 793	7 944
Total	**429 876**	**375 962**
Accumulated depreciation		
On 1 January	-273 890	-252 765
The year's depreciation	-30 178	-27 683
Acquisition of companies	-1 981	-1 025
Divestments and disposals	12 118	13 588
Reclassification	18	—
The year's translation differences	-20 501	-6 005
Total	**-314 414**	**-273 890**
RESIDUAL VALUE	115 462	102 072

CONSTRUCTION IN PROGRESS

Group	**2014**	**2013**
On 1 January	313	716
Accrued expenses during the year	2 456	254
Reclassification	-1 148	-631
The year's translation differences	82	-26
RESIDUAL VALUE	1 703	313

TOTAL TANGIBLE FIXED ASSETS

Group		
Accumulated acquisition values	**2014**	**2013**
On 1 January	667 891	640 369
Acquisitions during the year	52 248	41 531
Acquisition of companies	2 989	1 703
Divestments and disposals	-17 935	-18 463
Reclassification	-964	199
The year's translation differences	38 189	2 552
Total	**742 418**	**667 891**
Accumulated depreciation		
On 1 January	-414 390	-385 008
The year's depreciation	-39 562	-37 561
Acquisition of companies	-1 981	-1 025
Divestments and disposals	13 316	14 192
Reclassification	—	-744
The year's translation differences	-25 873	-4 244
Total	**-468 490**	**-414 390**
RESIDUAL VALUE	273 928	253 501

EQUIPMENT, TOOLS AND INSTALLATIONS

Parent company		
Accumulated acquisition values	**2014**	**2013**
On 1 January	2 118	1 805
Acquisitions during the year	2 692	1 865
Divestments and disposals	-375	-1 552
Total	**4 435**	**2 118**
Accumulated depreciation		
On 1 January	-503	-1 078
The year's depreciation	-272	-234
Divestments and disposals	113	809
Total	**-662**	**-503**
RESIDUAL VALUE	3 773	1 615

20 Participations in Group companies

Parent company	2014	2013
Book value	1 147 739	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 number	Registered office	Number of participations	Direct share of capital, % [1]	Indirect share of capital, % [1]	Book value 2014	Book value 2013
G & L Beijer Förvaltning AB	556020-8935	Malmö	20 000	100		7 418	7 418
G & L Beijer Ref AB	556046-6087	Malmö	586 447	100		417 452	417 452
GFF SA	552130296	Lyon	282 120	100		611 643	611 643
Delmo SA	49360517	Villeurbaunne	76 735	100		111 226	111 226
Owned by the Group							
G & L Beijer AB	556076-3442	Malmö			100		
G & L Beijer Ltd	SC38231	Glasgow			100		
Kylma AB	556059-7048	Solna			100		
Fastighets AB Asarum 40:196	556072-3289	Malmö			100		
DEM Production AB	556546-2412	Alvesta			100		
Clima Sverige AB	556314-6421	Ängelholm			100		
H. Jessen Jürgensen AB	556069-2724	Gothenburg			100		
G & L Beijer A/S	56813616	Ballerup			100		
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		
OY Combi Cool AB	5999255	Helsinki			100		
TT-Coil Norge AS	947473697	Mysen			100		
Schlösser Möller Kulde AS	914492149	Oslo			100		
Ecofrigo AS	894871172	Moss			100		
Børresen Cooltech AS	918890025	Oslo			100		
Külmakomponentide OÜ	10037180	Tallinn			100		
Max Cool SIA	344341	Riga			100		
UAB Beijer Ref, Lithuania	1177481	Vilnius			100		
Coolmark B.V.	24151651	Barendrecht			100		
Uniechemie B.V.	8032408	Apeldoorn			100		
ECR Nederland B.V.	17014719	Nuenen			100		
Werner Kuster AG	280.3.001.874-3	Frenkendorf			100		
Charles Hasler AG	020.3.911.192-5	Regensdorf			100		
Dean & Wood Ltd	467637	Leeds			100		
UR Refrigeration Wholesale Ltd	3453694	Leeds			100		
DWG Refrigeration Wholesale Ltd	299353	Dublin			100		
Beijer Ref Polska Sp.z o.o	206476	Warszaw			100		
Equinoxe Kft	01-09-163446	Budapest			100		
Beijer Ref Romania s.r.l.	J35-2794-29	Timisoara			100		
Beijer Ref Slovakia s.r.o	36551856	Nové Zámky			100		
Beijer Ref Czech s.r.o	16734874	Plzen			100		
ECR Italy SpA	728980152	Milan			100		
Frigoram Commerciale SpA	7202290156	Milan			100		
SCM Frigo S.p.A.	04342820281	Padua			100		
Starcold S.r.l	03744160288	Padua			100		
ECR Belgium BVBA	0807.473.926	Aartselaar			100		
Beijer ECR Iberica S.L	ES B85608925	Madrid			100		
Cofriset	961500261	Lyon			100		
TFD SNC	534687306	Saint Priest			100		
Beijer Ref Deutschland GmbH	HRB195155	Munich			100		
Metraclark South Africa (Pty) Ltd	2008/016731/07	Johannesburg			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 Airconditioning Wholesalers Namibia (Pty) Ltd	2008/992	Windhoek			100		
Scotcool Ref Wholesales (Pty) Ltd	2003/5506	Gabarone			100		
Metraclark (Zambia) Limited	109483	Lusaka			51		
Eurocool (Pty) Ltd	2013/128289/07	Johannesburg			100		
Beijer B.Grimm (Thailand) Ltd	105537024313	Bangkok			49		
Koncernen totalt						**1 147 739**	**1 147 739**

1) 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

	2014	2013
Balance on 1 January	80 782	77 834
Exchange rate differences	5 172	2 948
Balance on 31 December	**85 954**	**80 782**

The book value of holdings in unlisted shares amounts to SEK 86M (81). It has not been possible to calculate the actual value of these securities at 31 December 2014 in a reliable way and a valuation has, therefore, been made at the Group's acquisition value. There is no observable market data and Beijer Ref has not been given access to information which can form the basis for an estimation relating to anticipated cash flows.

SEK 61M of the holding in the unlisted securities exceeds a share of votes of 20 per cent. This holding is not classified as an associated company as no significant influence can be deemed to exist. An opportunity to exercise significant influence is not deemed to exist as the Group has no representation on the board of directors or any form of opportunity to influence the company's financial or operational strategies.

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

22 Trade deptors and other receivables

Group	2014	2013
Trade debtors	1 278 673	1 151 760
Prepaid expenses and accrued income	116 857	96 869
Other receivables	177 737	166 749
Total	**1 573 267**	**1 415 378**
Minus long-term portion	-73 644	-63 757
Short-term portion	1 499 623	1 351 621

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	2014	2013
Non-matured receivables	962 016	806 233
Receivables due between 1-30 days	218 113	192 365
Receivables due between 31-60 days	58 294	89 107
Receivables due between 61-90 days	21 189	42 858
Receivables due >90 days	103 855	99 773
Total	**1 363 467**	**1 230 336**

Provisions for doubtful receivables	2014	2013
Balance on 1 January	78 576	80 290
Costs for bad debt losses	-10 991	-15 016
Allocated during the period	17 212	13 302
Balance on 31 December	**84 797**	**78 576**

23 Inventories

Group	2014	2013
Raw materials and supplies	82 833	63 870
Work-in-progress	24 866	13 406
Finished products and goods for resale [1)]	1 832 412	1 622 585
Advances to suppliers	941	990
Total inventories	**1 941 052**	**1 700 851**
1) Of which reported to net sales value	35 527	29 768

24 Liquid funds

Liquid funds in the Group consist of cash and bank and amounted to SEK 236,092K (181,351).

25 Share capital

Number of shares	2014	2013
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	2014	2013
Long-term		
Bank loans	1 074 410	810 918
Total long-term	**1 074 410**	**810 918**
Current		
Bank overdraft facilities	482 917	488 713
Bank loans	25 397	14 351
Total current	**508 314**	**503 064**
Total borrowing	**1 582 724**	**1 313 982**

Due dates for long-term borrowing are as follows:

Between 1 and 5 years	1 074 410	810 918

The Group's fixed-interest term as a whole is less than twelve months. Reported amounts for borrowing form a good approximation of their actual value.

The Group's borrowing by currency is as follows:

	2014	2013
EUR	1 023 789	828 607
GBP	169 029	143 130
SEK	196 633	128 360
CHF	70 396	53 814
DKK	-11 258	46 418
PLN	33 186	43 487
NOK	45 927	36 708
THB	32 786	22 200
Other currencies	22 236	11 258
Total	**1 582 724**	**1 313 982**

Parent Company	2014	2013
Long-term		
Bank loans	1 050 087	—
Long-term liabilities to Group companies	57 912	—
Total long-term	**1 107 999**	**—**
Total borrowing	**1 107 999**	**—**

Due dates for long-term borrowing are as follows:

Between 1 and 5 years	1 107 999	—

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

	2014	2013
EUR	872 201	—
SEK	125 000	—
CHF	48 736	—
PLN	33 186	—
NOK	5 258	—
THB	16 404	—
Other currencies	7 214	—
Total	**1 107 999**	**—**

27 Deferred tax

	Amount on 2013 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 2013 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 2014 12-31
Group											
Deferred tax recoverable:											
Fixed assets	2 050	14	-567		690	2 187		-806		198	1 579
Trade debtors	5 795	112	154		71	6 132		613		395	7 140
Inventories	7 125		-737		-237	6 151		-2 623		316	3 844
Provision for pensions	13 009		1 076	239	1 469	15 793		2 646	-236	517	18 720
Other provisions	9 152	-847	3 315	-673	329	11 276	251	-1 453	-281	789	10 582
Loss carry forwards	49 124		4 282			53 406	9 696	1 060		5 102	69 265
Set-off			1 390			1 390		-1 892			-502
Total deferred tax recoverable	**86 255**	**-721**	**8 913**	**-434**	**2 322**	**96 335**	**9 947**	**-2 455**	**-517**	**7 317**	**110 627**
Deferred tax liabilities:											
Fixed assets	-48 680		-4 313		-92	-53 085		-6 162		-3 597	-62 844
Inventories	-10 935	365	505		-350	-10 415		-516		-719	-11 650
Set-off			-1 390			-1 390		1 892			502
Total deferred tax liabilities	**-59 615**	**365**	**-5 198**	**0**	**-442**	**-64 890**		**-4 786**		**-4 316**	**-73 992**
Deferred tax	**26 640**	**-356**	**3 715**	**-434**	**1 880**	**31 445**	**9 947**	**-7 240**	**-517**	**3 001**	**36 636**

Deferred tax attributable to fixed assets, pension commitments and 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 1,353K (1,161) and are attributable to loss carry forward.

28 Pension commitments

Group	2014	2013
The amounts reported in the balance sheet have been calculated as follows:		
Current value of invested commitments	252 090	286 431
Actual value of plan assets	-202 380	-233 357
Deficit in invested plans	**49 710**	**53 074**
Current value of uninvested commitments	32 494	25 794
Net liability in the balance sheet	**82 204**	**78 868**

The change in the defined benefit obligation during the year is as follows:		
On 1 January	312 225	300 655
Costs for service during the current year	5 444	11 086
Interest expenses	4 251	6 148
Contributions from employees	2 500	3 696
Revaluation effects	6 281	-5 589
Payments made	-65 264	-8 569
Other	646	-359
Translation difference	18 501	5 157
On 31 December	**284 584**	**312 225**

The change in the actual value of plan assets during the year are as follows:		
On 1 January	233 357	224 644
Interest income	3 116	4 534
Revaluation effects	595	-4 640
Contributions from the employer	8 505	9 502
Contributions from employees	2 500	3 695
Payments made	-58 889	-6 591
Other	—	-359
Translation difference	13 196	2 572
On 31 December	**202 380**	**233 357**

The plan assets consist of the following:		
Invested with pension managers	90 589	109 728
Interest-bearing securities	73 070	81 589
Properties	16 244	18 389
Receivables at nominal value	13 530	12 470
Shares	—	2 080
Other	8 947	9 101
Total	**202 380**	**233 357**

Group	2014
The amounts reported in other comprehensive income are the following (revaluations):	
Actuarial (profit) or loss on the current value of the commitment	6 281
Return on plan assets excluding amounts included in the interest expence	-595
Total pension cost or (income)	**5 686**

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 2014 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 2.2M (2.2). Alecta's surplus can be distributed to the policy holders and/or the insured. At the 2014 year end, Alecta's surplus in the form of the collective consolidation level amounted to 143 per cent (148). 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:

		2014
	Holland	Switzerland
Discount rate, %	2.30	1.35
		2013
	Holland	Switzerland
Discount rate, %	3.73	1.75

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, +1%	-14 443	
Discount rate, -1%		19 506
Switzerland		
Discount rate, +1%	-13 235	
Discount rate, -1%		16 733

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:

				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**

				2013
	Holland	Switzerland	Other	Total
Present value of the obligation	126 791	128 095	57 338	312 224
Fair value of plan assets	-111 128	-99 679	-22 550	-233 357
Total	**15 663**	**28 416**	**34 788**	**78 868**

29 Other provisions

Group	2014	2013
Guarantee commitments	9 053	10 169
Restructuring reserves	—	3 476
Other	26 257	22 203
Total	**35 310**	**35 848**
Long-term portion	18 632	14 066
Current portion	16 678	21 782
Total	**35 310**	**35 848**
Guarantee commitments		
Net value at the start of the period	10 169	9 377
Provisions made during the period	3 707	6 290
Amounts utilised during the period	-4 902	-5 172
Restored unutilised amount	-567	-823
Translation difference	646	497
Net value at the period end	**9 053**	**10 169**
Restructuring reserve		
Net value at the start of the period	3 476	4 695
Provisions made during the period	—	15 100
Amounts utilised during the period	-3 476	-16 319
Net value at the period end	**—**	**3 476**
Other information		
Net value at the start of the period	22 203	22 154
Acquisitions of companies	108	—
Provisions made during the period	5 582	19 707
Amounts utilised during the period	-3 078	-16 196
Restored unutilised amount	-110	-4 434
Translation difference	1 552	972
Net value at the period end	**26 257**	**22 203**

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	2014	2013
Trade creditors	807 310	756 434
Advances from customers	4 198	3 092
Accrued expenses and prepaid income	309 750	275 937
Other current liabilities	135 663	122 320
Total	**1 256 921**	**1 157 783**

31 Pledged assets

Group	2014	2013
For own liabilities and provisions		
Shares	1 285 009	1 137 317
Property mortgages	31 548	31 740
Total	**1 316 557**	**1 169 057**
Parent company		
For own liabilities and provisions		
Shares in subsidiaries	417 452	417 452
Total	**417 452**	**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.

32 Contingent commitments/ Contingent liabilities

Group	2014	2013
Undertakings towards pension institutions	132	548
Total	**132**	**548**
Parent company		
Guarantees in favour of Group companies	1 619 435	1 423 957
Total	**1 619 435**	**1 423 957**

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

33 Acquisition of companies

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.

2013
During the year, one minor acquisition was carried out. In April, G & L Beijer (now Beijer Ref) acquired the Danish company, FK Teknik A/S, a refrigeration wholesaler with five employees and annual sales of approximately SEK 32M. The operation is included in Beijer's accounts from April 2013.

The acquisition price amounted to SEK 9M. During 2013, the acquisition contributed sales of approximately SEK 22M and an operating profit of SEK 2.1M.

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 125.4M (129.7) were made. Sales to Carrier are also made on normal commercial terms. During the year, sales at a value of SEK 95.1M (96.4) were made.

Beijer B. Grimm (Thailand) Ltd rents premises in a property owned by a company controlled by Harald Link, a Board Member in Beijer Ref. Harald Link is the owner of B.Grimm Ltd, which is a jointly owned party in Beijer B. Grimm (Thailand) Ltd. The rent is on market terms and amounted to SEK 670K (622) 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 4,742K (4,370) for the year.

Remuneration of senior executives is shown in Note 6.

35 Transactions with holders with no controlling influence

	2014	2013
Balance on 1 January	49 032	43 025
Share of the year's result	8 064	10 393
Translation difference	5 040	-231
Dividend	—	-4 155
Acquisition of additional participation in subsidiary	-35 352	—
Closing balance	**26 784**	**49 032**

Holders of participations with non-controlling interest relate to Beijer B. Grimm (Thailand) and Metraclark Zambia Limited. During the year, the remaining shares in the Italian SCM Frigo group were acquired, which means that SCM Frigo and Starcold are now wholly-owned subsidiaries.

36 Events after the balance sheet date

In January 2015, Beijer Ref signed a new exclusive distribution agreement with Carrier the world-leading American refrigeration group. The agreement gives Beijer Ref the exclusive right to sales and service of the DX comfort cooling products in Europe. Beijer Ref already has the sole right for the distribution of Toshiba's air-conditioning units, heat pumps and ventilation systems, and the agreement with Carrier further strengthens the Group's product supply.

In February, Beijer Ref acquired all the shares in the refrigeration wholesale company, RNA Engineering & Trading, the leading refrigeration wholesaler in Malaysia which has its head office in Kuala Lumpur. The Malaysian market for commercial refrigeration is estimated to be worth nearly SEK 480M. In recent years it has shown stable growth of around 10 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, reports sales of approximately SEK 400M and is the leading refrigeration wholesaler in New Zealand.

Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:

Share premium reserve	901 604
Profit brought forward	238 722
Net profit for the year	222 952
Total	**1 363 278**

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

Dividend, SEK 5.00 per share	211 955
To be carried forward	1 151 323
Total	**1 363 278**

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 46 per cent.

The profit and loss account and balance sheet will be submitted for adoption to the Annual Meeting of shareholders on 9 April 2015. 13 April 2015 is proposed as the record day.

Beijer Ref AB (publ)
Corporate Identity Number: 556040-8113
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 16 March 2015

Bernt Ingman Chairman	Peter Jessen Jürgensen Board Member	Anne-Marie Pålsson Board Member	William Striebe Board Member	Philippe Delpech Board Member	Harald Link Board Member	Joen Magnusson Board Member	Per Bertland President

Our Audit Report was submitted on 17 March 2015
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 year 2014, 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 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. 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 2014. 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the 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, 17 March 2015
PricewaterhouseCoopers AB

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

Five-year summary

MKR	2014	2013	2012	2011	2010
Sales and results (1)					
Net sales	7 189.0	6 595.3	6 758.3	5 846.4	4 991.9
Other operating income, etc	20.9	13.7	11.3	11.9	11.0
Operating expenses excluding amortisation and depreciation	-6 666.2	-6 170.6	-6 291.3	-5 379.0	-4 623.5
Amortisation	-62.3	-60.8	-63.1	-46.8	-36.0
Operating profit	481.4	377.7	415.2	432.5	343.4
Net interest income and expenses	-34.9	-31.3	-34.6	42.7	-6.4
Other financial income and expenses	—	0.2	24.3	12.7	8.0
Profit before taxes	446.5	346.5	404.9	487.9	345.0
Taxes	-122.0	-102.4	-99.1	-113.8	-86.3
Profit for the year	324.5	244.2	305.8	374.0	258.7
Attributable to:					
Parent company's shareholders	316.4	233.8	295.2	364.0	259.7
Non-controlling interests	8.1	10.4	10.6	10.0	-1.0
Capital structure					
Cash and bank including unutilised bank overdraft facilities	503.8	563.2	538.0	677.2	478.4
Shareholders' equity	2 618.6	2 417.0	2 399.7	2 418.9	2 358.7
Capital employed (2)	4 308.7	3 829.1	3 837.6	3 824.6	2 931.3
Capital employed in operations (3)	3 986.6	3 567.0	3 566.8	3 466.0	2 201.5
Interest-bearing liabilities	1 665.9	1 392.9	1 417.2	1 398.5	569.7
Total assets	5 698.5	5 108.5	5 013.2	5 092.4	3 968.6
Key figures (4)					
Equity ratio, % (5)	46.0	47.3	47.9	47.5	59.4
Return on equity after full tax, % (6)	12.9	10.1	12.7	15.7	17.6
Return on capital employed, % (7)	11.9	10.0	11.6	14.9	17.2
Return on capital employed in operations, % (8)	12.7	10.6	11.8	15.3	20.8
Interest coverage ratio (9)	12.7	10.1	11.3	30.7	22.4
Debt ratio (10)	0.6	0.6	0.6	0.6	0.2
Profit margin, % (11)	6.2	5.3	6.0	8.3	9.6
Other information (1)					
Average number of employees	2 215	2 137	2 141	1 867	1 574
of whom outside Sweden	2 115	2 028	2 028	1 761	1 468
Payroll excluding social security contributions	790.5	727.2	734.9	655.0	617.8
of whom outside Sweden	733.1	660.5	678.2	580.9	534.0
Investments intangible and intangible fixed assets including acquisitions	87.4	57.6	88.3	1 004.8	36.3

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.
For 2010, the capital gain on the divestment of Beijer Tech is also included, except in the calculation of interest coverage ratio.
The comparative figures of the balance sheet items have not been changed.
(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) Profit before taxes as a percentage of net sales for the year.

annual meeting

The Annual Meeting of shareholders will be held at 3 pm on Thursday 9 April 2015 in Börshuset, Skeppsbron 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 2015.
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 2015 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 5.00 per share for the 2014 financial year and 13 April 2015 as the record day. Payment is expected to be remitted by Euroclear on 16 April 2015.

FINANCIAL INFORMATION 2015

- The Interim Report for the first quarter will be published on 23 April 2015.
- The Interim Report for the second quarter will be published on 17 July 2015.
- The Interim Report for the third quarter will be published on 22 October 2015.
- The Year-End Report for 2015 will be published in February 2016.
- The Annual Report for 2015 will be published in March 2016.

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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.

This document is a translation of the Swedish language version.

In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

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