Beijer Electronics

ANNUAL REPORT 2014

Beijer ELECTRONICS

Right on track...

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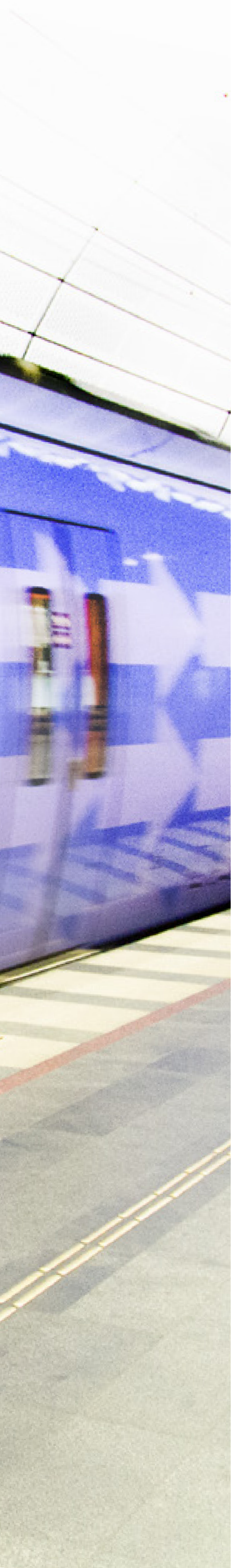
Head office with a view
Beijer Electronics' head office in Malmö, Sweden, enjoys panoramic views of the surrounding area. To the foreground, we look out at the Turning Torso, the highest building in the Nordics and a confident landmark. In the background, the Öresund bridge stretches to the horizon and into the world beyond. An inspiring backdrop to our business.

...is how we'd describe our sales of robust industrial data communication solutions. We're sharpening our focus on Westermo IP Train as the use of IP technology in the rail segment increases. Westermo delivers products to leading industry players within trackside and onboard train applications.



This is Beijer Electronics

Beijer Electronics is a high technology company active in industrial automation and data communication. We're a multinational group with our roots in Swedish engineering, presences in 19 countries and customers in many more. By innovating and developing leading-edge technologies we increase our customers' efficiency and reduce their costs, wherever they're based.

One company – three brands

Beijer Electronics' products are marketed under both our company name and the brand names Westermo and Korenix. Operations are carried out under two business areas: IAS (Industrial Automation Solutions) and IDC (Industrial Data Communication).

Business concept

Driven by a strong commitment to people and technology, we provide innovative and reliable automation and communication solutions that improve our customers' businesses.

Vision

A leading provider of user-friendly automation solutions on a global basis.

Core values

- Commitment
- Drive
- Trust

Competitive strengths

- Creative technology
- Open solutions
- Flexible approach
- Knowledgeable partner

Customers

Our customers are found in a wide range of industries, from traditional manufacturing to highly specialized industry segments such as marine and train. We work with end-customers, OEMs, integrators, distributors and brand label partners.

Key events 2014

Rugged and marine operator panels launched

The IAS business area focuses on developing specialized operator panels based on the iX HMI software. IAS launched the first model in its iX HMI Rugged series in the second quarter. The new operator panel has the markets strongest specification and is certified for use in extreme operating environments. IAS also launched a new product in the marine series in the year, iX T15BM. The products have expanded the group's market and attracted significant interest internationally.

Westermo's growth plan

Westermo's robust solutions for critical operating networks in harsh environments have enjoyed significant success in segments such as rail, oil/gas and mining. In September, Beijer Electronics decided to invest 175 MSEK in the operations over a 3-year period to support continued expansion. The growth plan is based on product development aimed at extending the product portfolio and strengthening the sales organization.

Focus on core strategy

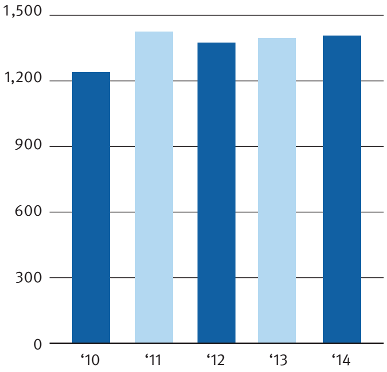
In the spring, Beijer Electronics divested its US Vehicle division. The sale resulted from the group's strategy of allocating increased resources to global core operations. Beijer Electronics' focuses on delivering products and solutions for industrial automation and data communication.

Korenix focuses on wireless

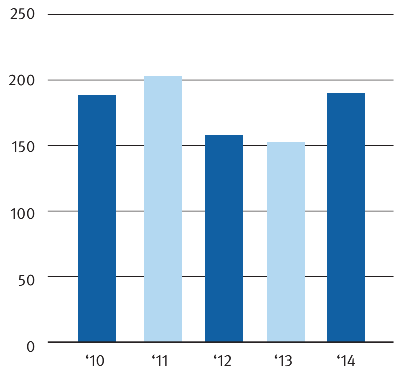
Following the success of the wireless JetWave series, the group decided to invest 13 MSEK in Korenix' operations. The aim is to strengthen its position as the leading provider of surveillance network solutions and Wi-Fi communication products. Korenix constitutes the group's development center in these areas, with the objective of doubling business in three years.

Key figures 2014

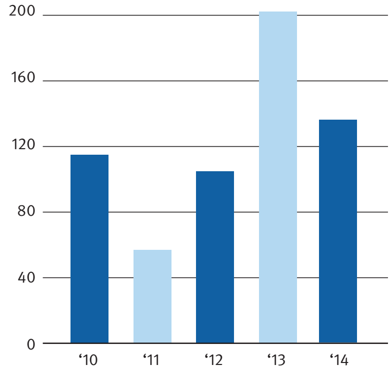
Sales (MSEK)



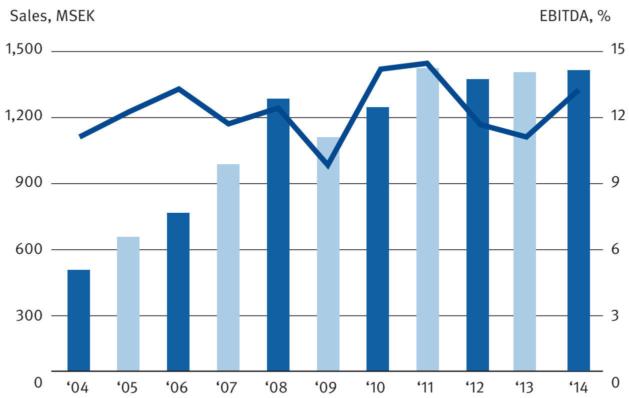
EBITDA (MSEK)



Operating cash flow (MSEK)



Group sales and profitability, 2004–2014



Key figures

	2014	2013	2012
Sales, MSEK	1,401.6	1,376.2	1,367.2
EBITDA, %	12.7	11.0	11.6
Operating profit, MSEK	113.6	87.4	99.5
Operating margin, %	8.1	6.3	7.3
Profit after tax, MSEK	62.7	44.4	53.4
Earnings per share, SEK	3.24	2.32	2.62
Dividend per share, SEK	1.25*	1.25	1.25
Equity ratio, %	33.6	27.2	28.5

**Board of Director's proposed dividend.*

Key figures, employees

	2014	2013	2012
Average number of employees	760	776	752
Sales per employee, MSEK	1.8	1.8	1.8
EBITDA per employee, SEK 000	235.0	195.0	211.2
EBIT per employee, SEK 000	149.5	112.6	132.4
Employees in R&D	115	117	120
Distribution men/women, %	67/33	66/34	69/31

FOCUS 2015

In 2015, Beijer Electronics is focusing on returning the IAS business area to profitability, to continue to win market share on IDC's market and to deliver on its growth plans.

CEO'S STATEMENT

Strong movement in the right direction

Over the past year, we've set Beijer Electronics' strategic direction towards strengthening our global high-tech profile. The group allocates significant resources to in-house development of high-tech solutions that are sold globally, with more than 80% of group sales derived from such products in 2014.

Convincing progress

The group's strategy and growth potential involves investments of some 190 MSEK in Westermo and Korenix in the IDC business area over a 3-year period. The measures are aimed at boosting product development and increasing our marketing initiatives. The decision to invest so substantially is based on the underlying positive trend on the global IDC market —the total market is estimated to be worth 10 billion SEK with a forecasted double-digit growth over the coming years—alongside the solid progress made by the group's IDC business area since acquisition. Sales in 2014 reached a new record of close to half a billion SEK with an operating margin of 12%. This convincing progress is based on a clear and goal-oriented product strategy and a focus on selected market segments.

As a consequence of this strategic initiative, Beijer Electronics raises the bar. The aim is for IDC to achieve sales approaching 800 MSEK and an operating margin of over 14% by 2017. Given the positive market progress, IDC is well-positioned to reach its targets, even if the challenges associated with rapid expansion shouldn't be underestimated.

Focus on profitability

During 2014, Beijer Electronics also took the decision to restore profitability in the IAS business area over a three-year period. IAS' profitability has eroded gradually over the last three years as a result of a generally weaker market, which has meant that new product offerings haven't quite reached anticipated sales volumes. In October 2014, we therefore announced a series of measures geared towards improving IAS' profit by 25 MSEK already in 2015.

IAS is well-positioned to turn the trend towards more positive progress. The business area's operator panels incorporate leading-edge technology and the new robust panels launched in 2014 have attracted significant market interest. Even adjusted for the divested US Vehicle division, IAS reported a small sales increase in 2014, and although the operating margin adjusted for non-recurring items was an unsatisfactory 6.6%, it remained unchanged year-on-year.

Group sales increased overall in 2014, and profit before and after adjustment for non-recurring items improved. The increase in operating activities was derived from the IDC business area, with sales growth of 18% and outstanding profit growth of 53%. IAS contributed to the improvement in earnings as a result of the capital gain from the divestment of the US Vehicle division.

A good cash flow from operations and a continued focus on reducing working capital also meant that our financial position improved, with a significantly stronger equity ratio and lower net debt.

Moving forward

In 2015, the IDC business area will focus on delivering on its investment plan, while IAS will prioritize measures aimed at improving profitability. Overall, we expect sales and operating profit to increase in the full year 2015, even if IDC's margins will be lower in the first half-year and IAS will incur restructuring costs.

Anna Belfrage
Acting President and CEO

“The group allocates significant resources to in-house development of high-tech, solutions that are sold globally, with more than 80% of group sales derived from such products in 2014.

Automation is all around us

Wherever there are processes to drive and control, or information to communicate and visualize, there is a need for automation. Working from behind the scenes or in plain view – in factories and city buses alike – automation solutions play a role in creating or delivering most of the goods and assets we use in our everyday lives.

Manufacturing – increased productivity

Global price pressure, shorter technology life cycles, and consumers with ever growing demands for affordable products put high pressure on manufacturers and machine builders to make production processes more efficient.

Transportation – smarter and safer connections

Today's complex transportation systems involve much more than just moving people and goods from A to B. Positioning services, cargo tracking, communication between vehicles, information systems and safety solutions are all vital parts of modern transportation.

Marine and offshore – environment and safety first

The extreme conditions at sea, environmental regulations and the long distance to port place high demands on equipment reliability and performance to secure safety and reduce environmental impact.

Energy – efficient solutions and smarter distribution

Increased efficiency in extraction of fossil fuels, development of efficient renewable energy production, and smarter energy distribution systems are some of the massive technological challenges that must be solved to meet the world's ever-increasing demand for energy.

Infrastructure – safer and faster journeys

Growing needs for transportation of people and goods put high pressure on roads, railways and other kinds of infrastructure. New systems for traffic management and tunnel ventilation, for example, increase both traffic flow and safety.

Buildings – lower energy consumption

Higher energy prices and a growing awareness of environmental issues drive efforts to minimize energy consumption in homes, office buildings and factories. Integrating production processes with smart building automation lowers energy consumption.

Water – securing accessibility and environment

A growing population expects and needs clean, accessible water. Increasing amounts of waste water must be dealt with efficiently to protect the environment and to prevent diseases. The harsh environment of water treatment places high demands on the equipment used.

Products – highlights 2014

Beijer
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Operator panels gain new ground

On the basis of its proprietary iX HMI software, Beijer Electronics is continuing to expand its HMI offering with specialized operator panels. The first model in the rugged series was launched in 2014, a rugged HMI that guarantees secure operation in the most extreme environments. A marine series also complements the product range, generating entirely new markets and possibilities.

iX HMI Rugged are operator panels tested and certified for extreme operating environments.

iX HMI Marine are operator panels certified for operation on-board and offshore.

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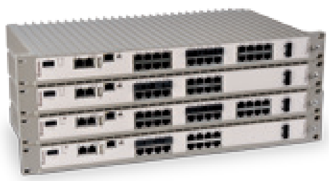
westermo®
A Beijer Electronics Group Company

The market requires reliable networks

Demand for reliable network solutions remains high, as an increasing number of units require connectivity in challenging environments. The RedFox series' rack version satisfies the demand for high performance and easy installation. Westermo's software WeConfig, which simplifies network installation and ongoing maintenance, has also been successful.



The 19" rack-mounted RFIR series satisfies high industrial specifications. Proprietary software WeConfig simplifies installation, operation and maintenance.

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korenix
A Beijer Electronics Group Company

From cable to Wi-Fi

Korenix is continuously at the leading edge of industrial wireless communication and M2M technology development. Korenix strengthened its product portfolio further in the year, focusing on the JetWave series. High speed, redundancy, flexibility and ruggedness make the JetWave products the obvious choice in demanding wireless and remote access applications.

The JetWave series includes Wi-Fi, 3G and 4G, and satisfies the need for wireless local coverage, mobile communication and remote access.

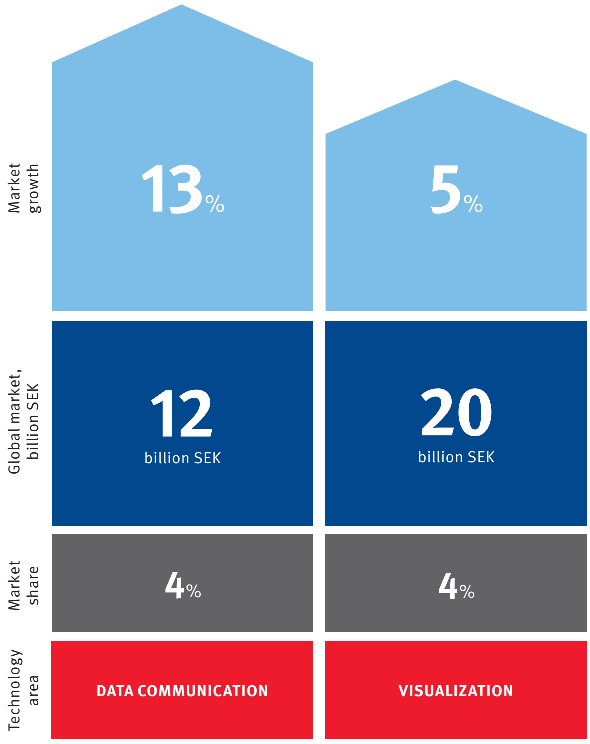
About our market

Market area and size

The global industrial automation market encompasses a myriad of products and services. Beijer Electronics' offer is split into four technology areas: visualization, data communication, control systems and drive systems.

The visualization and data communication technology areas are the group's primary focus. All products in these technology areas are developed in-house and represent more than 80% of group sales. Products in the control systems and drive systems technology areas are supplied by third parties in order to provide the market with a complete offering.

Market by technology area



Expected market growth

The global market for operator panels is estimated to be worth some 2.5 billion USD or just over 20 billion SEK. The addressable market for industrial data communication is estimated to total some 1.5 billion USD or 12 billion SEK.

Market drivers

Examples of demographic, legislative and technological drivers that affect the automation market include:

- Infrastructure investments
- Environmental regulations
- Consumer market growth
- Increased demand for constant connection
- Increased demand for connectivity
- Consumer market technologies' increasing influence on customers' expectations of industrial technologies

"Network products for mission critical systems is a growth market. As a company we're well positioned with leading technologies, solid customer references and products that have become synonymous with quality. The group's investments in the IDC business area gives us the scope to step up the pace further in our chosen direction. Product development will occur in existing segments. Sales and support operations will be strengthened and expand geographically. The objective is to double IDC's sales over a three-year period.

LARS-OLA LUNDKVIST, BUSINESS AREA DIRECTOR, IDC

Strategies

Core values

Commitment

We always strive to maximize customer benefit and create strong relationships with customers and partners.

Drive

We always act proactively to find new technologies, smarter solutions and better ways to run our business.

Trust

We always take responsibility for our choices and act with honesty and trust in our relationships with others.

Strategic focus areas

The IAS business area

Beijer Electronics' proprietary HMI products are the foundation of the IAS business area. On a few selected markets, Beijer Electronics also offers a range of complementary third-party products in industrial automation.

The IAS business area has two clear competitive advantages – state-of-the-art, market-leading software and a broad product portfolio for three different market segments; entry line for general applications, industrial line for the mid-market and extended line for robust and marine applications.

IAS has a broad-based global presence as Beijer Electronics' OEM customers are the most important sales channel, and these customers are approached by the company's proprietary sales organization. To reach full potential, Beijer Electronics' sales organization is supplemented by a broad-based network of distributors.

The IDC business area

The IDC business area consists of two brands, Westermo and Korenix, which have complementary strategies. Westermo is a high-end brand focusing on demanding industries such as rail, oil and gas and the energy segment. Westermo is the global leader in data communication equipment for railway applications, both trackside and on-board. The product offering is characterized by extremely high quality. OEM and system integrators are the key sales channels although they are also complemented by distributors.

Korenix is the market leader in switches for wireless data communication. The main focus is on security and surveillance applications. In order to reach as many end users as possible, most of Korenix' sales go via distributors.

"Our ambition is to deliver the high-tech products our customers need in order to meet the challenges of the future.

ANNA BELFRAGE, ACTING PRESIDENT AND CEO

Sales channels

End-users	OEMs	System integrators	Distributors	Brand label partners

We reach the market through a mix of five channels. Our primary focus is direct sales to end-users, OEMs and system integrators, who all either use our solutions themselves or utilize our products as part of their solution. A network of distributors complement the direct sales, and brand label partners – who market our products under their own brand – make up a fifth channel.

Market segments

Industrial factory automation

Oil and gas

Marine and offshore

Train

Security and surveillance

Our largest market segment is the general industrial use of automation and data communication, e.g. factory automation, where standard products are largely used. Complementing this general segment, we have identified a number of segments with very specific requirements where we have a leading edge.

To be competitive in these specialist segments, we work with targeted products and application solutions. Typically, targeted solutions are developed in one of our geographies and from there we roll out the offer globally.

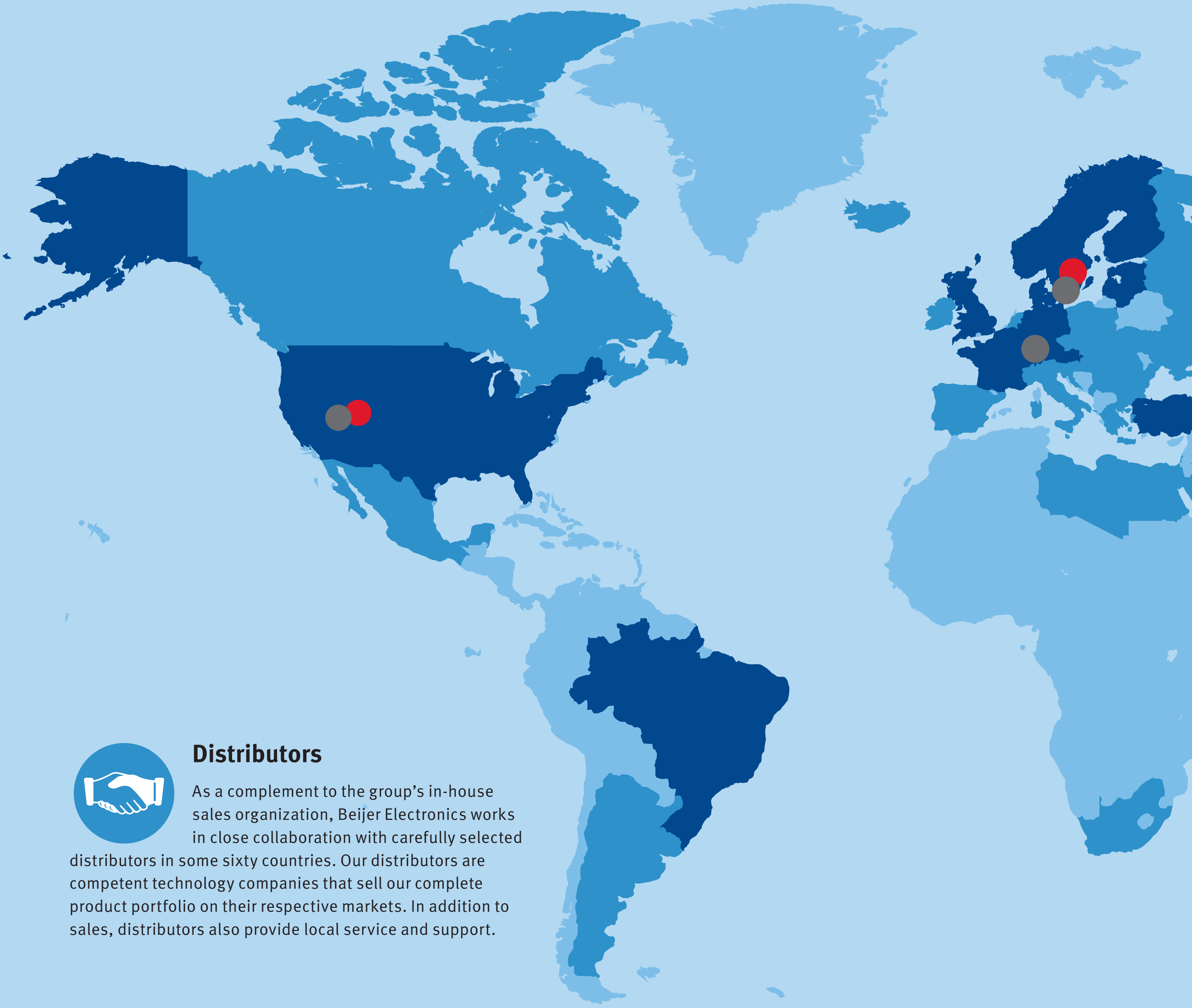
Product development costs

Investing in our future growth through focus on technology and product development continued in 2014, where the total costs of product development were 113.5 MSEK.

113.5 MSEK

In touch with our markets

Since 1981, Beijer Electronics has grown from a local Swedish automation company to a global group with operations the world over. Our ambition is to be a resourceful partner to global corporations in their expansion into new markets – while giving all our customers the local support they need.



Distributors

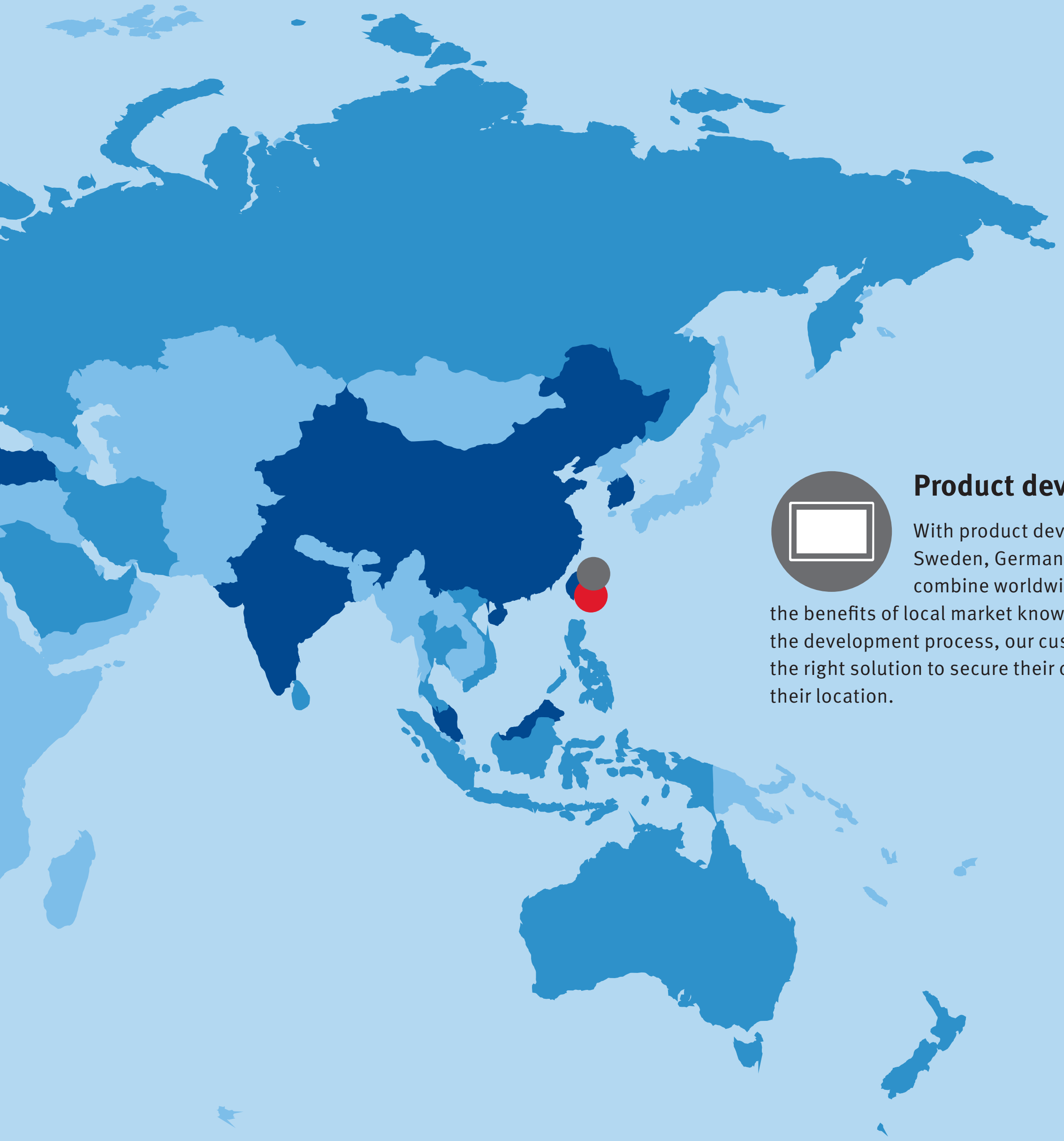
As a complement to the group's in-house sales organization, Beijer Electronics works in close collaboration with carefully selected distributors in some sixty countries. Our distributors are competent technology companies that sell our complete product portfolio on their respective markets. In addition to sales, distributors also provide local service and support.

Sales and support

We have our own sales and support in 19 countries worldwide. In addition, we have a number of industry specific sales teams that are active on the global arena. We believe in the importance of global support, where the same knowledge is accessible regardless of market. At the same time our support is truly local, close to each customer's market conditions and language.

Production

High quality and a close cooperation with product development are two important principles of our production philosophy. Therefore, we have our own production facilities in Taiwan, the USA, and Sweden – close to our development centers – where careful sourcing of materials and meticulous processes ensure product quality, as well as compliance with environmental regulations and our code of conduct.



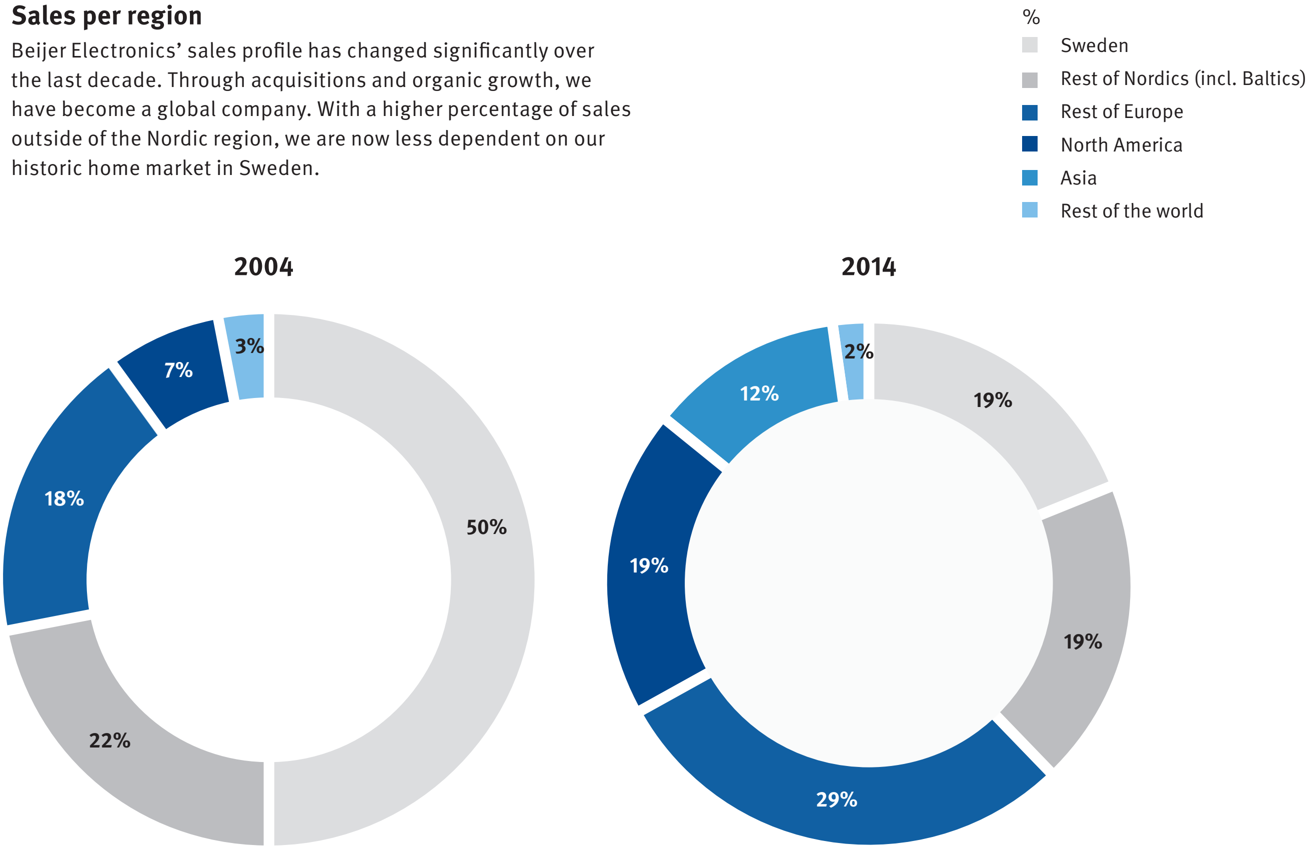
Product development

With product development centers in the USA, Sweden, Germany and Taiwan, we can easily combine worldwide economies of scale with the benefits of local market know-how. And, because we own the development process, our customers can trust us to deliver the right solution to secure their competitiveness, no matter their location.

About our sales regions

Sales per region

Beijer Electronics' sales profile has changed significantly over the last decade. Through acquisitions and organic growth, we have become a global company. With a higher percentage of sales outside of the Nordic region, we are now less dependent on our historic home market in Sweden.



OFFICES IN **19** COUNTRIES

Long-term presence with our own offices in markets with sufficient potential for our products and services is an important part of our growth strategy.

PARTNERS IN **60** COUNTRIES

We work with a world-wide distributor network, carefully selected on the basis of their automation and industrial communication expertise and customer focus.

“2014 was characterized by a slightly hesitant market. Nevertheless, fresh statistics show that we’re strengthening our market presence in the Nordics. The products launched towards the end of 2013 were well received and alongside our new proprietary HMI products, we now have an attractive total offering that satisfies our customers’ high demands closely.

ROGER KROON, VP SALES NORDICS

“In 2014, we focused on establishing our brands in key countries and markets for IAS and IDC, mainly through seminars and targeted exhibitions. Business progress and sales growth have been positive in the train, transportation, energy and surveillance segments. Investments in wireless technology have resulted in important orders globally, and we'll continue to invest in this technology.

BERNDT KÖHRING, VP SALES ASIA

“2014 was a successful year for the US operations. The divestment of the Vehicle business contributed to increasing the focus on Beijer Electronics’ industrial operations and Korenix’ data communication solutions. It also led to a comprehensive analysis of our management and sales structure. With a new team and clear objectives, we’re now ready to make 2015 our best year ever.

MARK HENDEL, VP SALES AMERICAS

“Our investments in EMEA have paid off. The acquisition of Petek Teknoloji in 2013 increased sales in Turkey by 45%. The concept of turning customized solutions into standard solutions has proven successful, especially in Germany which returned strong profit in the marine segment in particular. Restructuring has generated a balanced financial situation and the focus now is on winning new market shares.

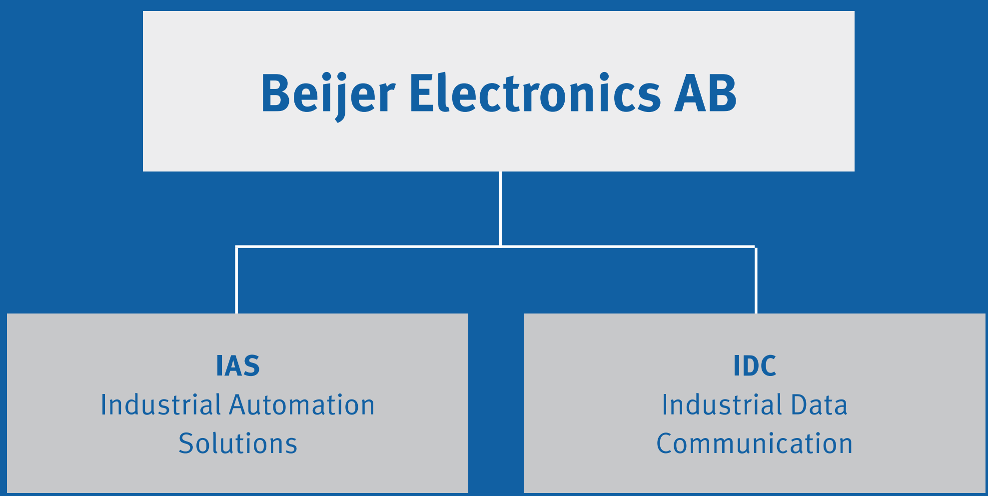
HENRIK DALBY DAMM, VP SALES EMEA

Financial Information

The group consists of two business areas, IAS and IDC.

Our proprietary HMI products are the foundation for the IAS business area. On a few selected markets, Beijer Electronics also offers a range of complementary third-party products in industrial automation. IAS consists of the formerly separate Automation and HMI Products business areas.

The IDC business area consists of the two brands Westermo and Korenix, which deliver Ethernet-based switches and routers plus accessories to industrial customers with high quality requirements.



Directors' report

The Board of Directors and Chief Executive Officer of Beijer Electronics AB (publ), corporate identity number 556025-1851, hereby present the Annual Accounts and Consolidated Accounts for the financial year 2014. The information in brackets is for the previous year.

Group Operations

Beijer Electronics develops, manufactures and sells products and solutions in industrial automation and data communication. The company's products and solutions feature high technology content, quality and user friendliness.

Beijer Electronics offers the market a broad selection of products and solutions that facilitate communication, control, monitoring and optimization of critical processes in many different types of operation. Proprietary technology and product development is an important precondition for Beijer Electronics' competitiveness on the market. The company has development centers in Sweden, Germany, Taiwan and the USA.

The group's vision is to be a leading global vendor of user-friendly automation solutions. Products and solutions from Beijer Electronics are sold through proprietary sales units in 19 countries, and via a network of independent distributors in another 60 countries. See also Note 14 for more information on Beijer Electronics' subsidiaries. Parent company Beijer Electronics AB is a holding company with central functions like strategic development, accounting and Finance, IT, human resources, quality and environment, as well as communications.

The group is divided into two business areas: Industrial Automation Solutions (IAS) and Industrial Data Communication (IDC). The business areas have proprietary product development and manufacture, and global sales responsibility.

Operations in the Year

Growth on the global industrial automation and data communication market is driven by investments in new products, digitalization, the ongoing rationalization of production controls and logistics, the rationalization of manufacturing processes and the need for more efficient energy consumption. Infrastructure like railways, highways, tunnels and energy distribution are growing market segments for automation applications and industrial data communications.

The trend on the industrial data communication market is high growth of 12-15% annually. In 2014, group progress was well in line with the long-term growth trend.

The industrial automation market gradually stabilized in the year, although the recovery is slow and characterized by caution, especially for large-scale investments. At the same time, the global market presented a divided picture, where the US market continued to achieve positive growth while demand on some European markets increased and reduced on others. Asia saw some demand recovery.

Order Intake, Sales and Profits

The group's order intake was 1,398.2 MSEK (1,401.6) in 2014. The IAS business area's Vehicle division in the US was divested in June. Adjusted for the divestment, order intake increased by 4%. The weaker SEK had a positive impact on order intake. Group sales increased by 2% to 1,401.6 MSEK (1,376.2). Excluding the US divestment, sales increased by 6%. The weaker SEK also had a positive impact on sales.

In the Nordics and Baltics, total sales decreased by 4% to 539 MSEK (560), corresponding to 38% of group sales. For the rest of Europe, sales increased by 4% to 399 MSEK (385), or 29% of total sales. In North and South America, sales increased by 3% to 259 MSEK (252), corresponding to 18% of sales. In Asia, sales increased by 4% to 175 MSEK (168) or 12% of group sales.

Proprietary products represented approximately 80% of the group's total sales.

The group's operating profit increased to 113.6 MSEK (87.4). The profit figure includes capital gains of 32.9 MSEK (0) from the divestment of the Vehicle division and non-recurring costs totaling 23.7 MSEK (5.6). The non-recurring costs relate to a redundancy payment to the former CEO of 10.8 MSEK, restructuring costs of 5.9 MSEK, costs of 2.0 MSEK relating to fire damage at a supplier's premises and 5.0 MSEK for a terminated customer project. The customer project, which had been running for three years, related to an initiative outside of IAS' core operations and Beijer Electronics and the customer jointly decided to terminate the project. Excluding non-recurring items, operating profit increased to 104.4 MSEK (93.0). This corresponds to an operating margin of 7.5% (6.8). The higher profit was due to increased sales volume. Total development expenses were 113.5 MSEK (109.7).

Profit before tax increased to 96.8 MSEK (71.9). Net financial income/expense was -16.8 MSEK (-15.5). Profit after estimated tax increased to 62.7 MSEK (44.4). Earnings per share after estimated tax was SEK 3.24 (2.32).

Significant Events

At year-end 2013, Beijer Electronics implemented a new global organization, which altered its reporting from three business areas to two – Industrial Automation Solutions (IAS) and Industrial Data Communication (IDC). The IAS business area was formed from the Automation and HMI Products business areas. These changes are a consequence of Beijer Electronics re-purchasing 15% of Automation from Mitsubishi Electric in 2013. Automation also launched an extended Beijer Electronics-branded product range, for global sale. Numbers from the previous year have been restated to comply with the new reporting.

In June 2014, Beijer Electronics sold the US Vehicle division of the IAS business area to Israeli company Micronet. This sale was a component of the strategy of focusing on Beijer Electronics' core businesses – Industrial operator panels and industrial data communication. This transaction produced a capital gain of 32.9 MSEK before tax. The divested operations had annualized sales of some 70 MSEK. The transaction did not imply any major changes to the group's or the IAS business area's fixed assets. This capital gain is included in other operating revenue in the Consolidated Income Statement.

In September, Beijer Electronics announced a major strategic initiative in the IDC business area. The measures encompass some 188 MSEK over three-year period, of which 175 MSEK in Westermo, focusing on increased product development and strengthening the marketing organization. The initiative is largely internally funded. The aim is to increase growth further from the current 480 MSEK or so in annual sales to closer to 800 MSEK, and to achieve an operating margin of over 14% in 2017. IDC's total addressable market amounts to almost 10 billion SEK with expected annual growth in excess of 10%. The announced measures will broaden Westermo's product portfolio in Mission Critical Edge Networks and Westermo IP Train. Total headcount is expected to increase by 50, of which 20 in product development and the remainder in marketing.

On September 15, Beijer Electronics announced that CEO and President Fredrik Jönsson was resigning and leaving the company. Beijer Electronics' CFO Anna Belfrage was appointed Acting CEO and President on the same day.

In October, Beijer Electronics announced a program of measures in the IAS business area. Business area sales have not progressed as expected in recent years, which has had a negative impact on profitability. To restore profitability over a three year period, IAS initiated a program to cut costs. In an initial phase, IAS' profit is expected to increase by 25 MSEK in 2015. Primarily, expenses for this restructuring will be charged to fourth-quarter 2014 profit, although also to the first half-year 2015.

Industrial Automation Solutions (IAS)

The IAS business area develops, manufactures and sells operator communication products and control and drive systems. The market remained weak generally in the year, even if the overall picture was not consistent as some markets, such as the US, returned strong growth while others fell back slightly. The business area's order intake and sales were negatively affected by the divestment of the Vehicle business and adjusted for this, sales in the US made very positive progress of plus 17%. In the Nordics, sales fell by 4% while they remained largely unchanged in the rest of Europe and Asia. Business area profit increased sharply as a result of the capital gains from the divestment of the Vehicle business. At the same time, profit was weighed down by non-recurring costs. Overall, IAS has seen a longer period of unsatisfactory profitability and in order to restore profitability over a three-year period, Beijer Electronics implemented a cost-cutting program in autumn 2014. In the initial phase, profit in IAS is expected to increase by 25 MSEK in 2015 as a result of the measures.

Order Intake, Sales and Profits

Order intake decreased by 7% to 905.4 MSEK (971.0) Adjusted for the divested Vehicle business, it increased by 1%. Sales decreased by 5% to 923.2 MSEK (970.9). Excluding the divestment, sales increased by 2%. Operating profit before depreciation and amortization increased to 108.2 MSEK (85.7), including capital gains of 32.9 MSEK. Depreciation and amortization was 26.9 MSEK (27.5). Operating profit increased to 81.3 MSEK (58.2) including the capital gain. Adjusted for the capital gain and non-recurring costs of 12.9 MSEK (5.6), operating profit was 61.3 MSEK (63.8). This equated to an operating margin of 6.6% (6.6).

Industrial Data Communication (IDC)

The IDC business area develops, manufactures and sells industrial data communication products on the global market, where infrastructure projects like rail systems, energy distribution, road transport and mining operations are key components. IDC continued to perform strongly in 2014. The business area achieved a new record year in terms of order intake, sales and profit. IDC increased its sales across virtually all markets, but the sales increase was particularly pronounced in China and the US. This positive performance is a result of the business area's goal-oriented and long-term focus on Beijer Electronics' network technology with own-brand software and selected segments. Against the background of IDC's high growth in recent years and its substantial future potential, Beijer Electroncis announced a major strategic initiative focused on the business area in 2014. The measures encompass 188 MSEK over a three-year period focusing on increasing product development and strengthening the marketing organization. The aim is to increase growth further from the current 480 MSEK or so in annualized sales to closer to 800 MSEK, and an operating margin in excess of 14% by 2017.

Order Intake, Sales and Profit

Order intake increased by 14% to 492.8 MSEK (430.6). Sales increased by 18% to 483.0 MSEK (409.0). Operating profit before depreciation and amortization increased by 33% to 85.3 MSEK (64.3). Depreciation and amortization was 27.5 MSEK (26.4). Operating profit increased by 53% to 57.8 MSEK (37.9), corresponding to an operating margin of 12.0% (9.3). The sharp improvement in operating profit is due to higher sales volumes.

Investments, Cash Flow and Financial Position

The group's investments including capitalized development expenses and acquisitions were 60.1 MSEK (140.9) in 2014. Cash flow from operating activities including changes in working capital was 136.6 MSEK (207.9). Equity was 496.5 MSEK (391.4) at year-end. The equity ratio was 33.6% (27.2). Cash and cash equivalents were 156.8 MSEK (147.9). Net debt was 498.8 MSEK (559.9).

Profitability

Return on equity was 13.9% (11.1). Return on capital employed and net operating assets were 10.3% (8.8) and 17.7% (14.0) respectively.

Human Resources

The average number of employees was 760 (776). Sales per employee were 1.84 MSEK (1.77).

Product Development

The group's product development is conducted in the IAS and IDC business areas. Development projects are continuously conducted to extend the range of new products and solutions, and to enhance the existing offering.

IAS develops operator panels and software used to give operators and maintenance staff fast and accurate data. Development includes the production of hardware, software and the associated documentation. There are development centers for HMI solutions in Malmö in Sweden, Nürtingen in Germany, Salt Lake City in the USA and Taipei in Taiwan. Development expenses in IAS were 58.2 MSEK (61.9). This corresponded to 6.3% (6.7) of sales.

Product development is a central component of IDC's operations and is conducted in close collaboration with production. Development consists of hardware and software. There are development units in Stora Sundby and Västerås, Sweden and Taipei, Taiwan. Development expenses were 52.9 MSEK (45.3), corresponding to 11% (11.1) of sales.

The group's total development expenses were 113.5 MSEK (109.7), corresponding to 8.1% (8.0) of group sales.

Currencies

Beijer Electronics' sales are conducted in different currencies. Euro-denominated sales were the equivalent of 465.4 MSEK, or 33.2% of total sales. Sales denominated in Swedish kronor were 247.4 MSEK, 333.6 MSEK denominated in US dollars, 100.4 MSEK in Norwegian kroner, 56.9 MSEK in Danish kroner, 53.2 MSEK in UK Sterling and 144.7 MSEK in other currencies.

Environmental Impact

Primarily, the group's environmental activities focus on the environmental impact of its products. Close collaboration with suppliers is a key driver of environmental work. The company's standard products satisfy the RoHS directive, which prohibits the usage of lead in electrical and electronics products. The operations of most of the Swedish companies are ISO 14001 certified to ensure that applicable standards are complied with, and work on environmental issues is structured and contributes to continuous improvement.

IFRS

Beijer Electronics adopted International Financial Reporting Standards (IFRS) for its financial reporting on January 1, 2005.

Risks

Beijer Electronics' business is affected by a number of exogenous factors, whose effects on consolidated profits and financial position can be controlled to varying degrees. The group has a close collaboration with Mitsubishi Electric, which is important to operations, and accordingly, is a risk factor. Mitsubishi Electric is a supplier to the group and buyer of Beijer Electronics products, creating a balance and mutual dependency that reduces these risks. The collaboration with Mitsubishi Electric has lasted 30 years. Beijer Electronics signed a new, three-year distributor agreement with Mitsubishi Electric in 2013. This agreement meant that the collaboration continued, with Beijer Electronics remaining a main distributor of Mitsubishi Electric's automation products on the Nordic and Baltic markets.

Other business risks like market risks, collaboration agreements, product liability, technological progress and dependency on staff are subject to continual analysis, and where necessary, measures are taken to reduce the group's risk exposure. Beijer Electronics has sales and purchasing in foreign currencies and is thus exposed to currency risks. Normally, the group does not hedge its various currency flows. Beijer Electronics has some financial risks such as interest risk, liquidity risk and refinancing risk. The Board of Directors sets the rules for risk levels and managing financial risks at various levels in the group. The goal is to minimize these risks, and clarify responsibility and authority. Following up on rules and their compliance is verified by the individuals responsible and reported to the Board of Directors. Interest-bearing liabilities were 655.6 MSEK (707.8) at year-end. Net debt amounted to 498.8 MSEK (559.9).

Shares and Ownership Structure

The parent company's share capital was 6,355,862 SEK, divided between 19,067,586 shares with a quotient value of 0.33 SEK as of December 31, 2014. At year-end, the largest shareholders of Beijer Electronics was Stena Sessan Rederi AB, holding 29.8% of the capital and votes. Lannebo Fonder was the second largest owner with 11.1% of the capital and votes.

The AGM 2014 resolved to authorize the Board of Directors to decide to increase the company's share capital by a maximum of 635,334 MSEK through the new issue of a maximum of 1,906,002 shares on one or more occasions in the period until the next AGM.

Guidelines for Remuneration to Senior Managers

The Remuneration Committee is appointed each year by the Board of Directors. The Remuneration Committee consults on the Board of Directors' decisions on remuneration for the Chief Executive Officer and takes decisions on remuneration to other members of management. The Remuneration Committee also consults on proposals regarding potential incentive plans. The principles governing the work of the Remuneration Committee are reviewed in more detail in the Corporate Governance Report on page 64.

Basic salary and customary employment benefits are paid to management, plus pension benefits. Guidelines for remuneration to, and other employment terms of, senior managers for the financial year 2014 were approved by the AGM in April 2014. In 2014 remuneration to the Board of Directors and management, and a review of the incentive plan, is stated in Note 7 on pages 44–45.

Outlook for 2015

Beijer Electronics sales and operating profit before and after adjustment for non-recurring items increased in the full year 2014. In 2015, Beijer Electronics judges that IDC will be able to maintain continued high growth, while it expects IAS to increase sales somewhat. The group is commencing its major initiative in IDC, which will affect margins and profit, especially in the first half of 2015. Meanwhile, it anticipates the restructuring program in IAS having its expected effect. Overall, Beijer Electronics expects to increase operating profit in the full year 2015.

As of December 11, 2014, Beijer Electronics entered into a binding offer relating to a new bank agreement. The new agreement is expected to be finalized in April 2015 with a term of three years with an option to extend it by one year.

Proposed Appropriation of Profit

The following funds are at the disposal of the Annual General Meeting:

SEK 000	
Retained profit	89,016
Net profit	44,497
Total	**133,513**

The Board of Directors and Chief Executive Officer propose that these funds are appropriated as follows:
Dividends of 1.25 SEK per share to shareholders.

SEK 000	
Total dividend	23,834
Carried forward	109,679
Total	**133,513**

The proposed record date for entitlement to dividends is April 24, 2015. If the proposal is ratified by the AGM, the dividend is estimated to be paid on June 2, 2015.

The proposed dividend has been determined considering the group's equity ratio of 33.6% at year end and the parent company's equity ratio of 16.8%. Against the background of the group's operations remaining profitable, the equity ratio is satisfactory. The Board of Directors also judges that the liquidity in the group can be maintained at an equally satisfactory level.

The Board considers that the proposed dividend is justifiable in terms of the stipulations of Chap. 17 §3 of the Swedish Annual Accounts Act relating to the requirements made by the nature, scope and risks of the operations on the amount of equity and need to strengthen the Balance Sheet, liquidity and financial position of the parent company and group generally.

The Income Statement and Balance Sheet will be submitted to the AGM for adoption on April 22, 2015.

Post Balance Sheet Events

There were no significant events in the period between the end of the year and the signing of these Annual Accounts.

Consolidated Income Statement

SEK 000	2014	2013	Note
Revenues	1,401,578	1,376,187	2
Cost of goods sold	-756,896	-755,281	3
Gross profit	**644,682**	**620,906**	
Sales overheads	-230,843	-225,577	3
Administration overheads	-340,806	-309,471	3
Other operating revenue and operating expenses	40,579	1,509	4
Operating profit	**113,612**	**87,367**	2,4,5,6,7,8
Financial income	2,865	5,989	
Financial expenses	-19,696	-21,481	
Net financial income/expense	**-16,831**	**-15,492**	9
Profit before tax	**96,781**	**71,874**	
Tax	-34,090	-27,508	11
Net profit	**62,691**	**44,366**	
Attributable to parent company shareholders	*61,725*	*44,218*	
Attributable to non-controlling interests	*966*	*148*	
Earnings per share, SEK	*3.24*	*2.32*	*20*

Statement of Comprehensive Income

SEK 000	2014	2013
Net profit	**62,691**	**44,366**
Other comprehensive income: **Items not potentially reclassifiable to profit or loss**		
Restatement of net pension obligations	-13,293	9,714
Items potentially reclassifiable to profit or loss		
Translation differences	81,160	-11,706
Comprehensive income	**130,558**	**42,374**
Attributable to parent company shareholders	*129,002*	*41,399*
Attributable to non-controlling interests	*1,556*	*975*

Consolidated Balance Sheet

SEK 000	Dec. 31, 2014	Dec. 31, 2013	Note
ASSETS			
Fixed assets			
Property, plant and equipment	83,642	79,167	13
Intangible assets	701,164	666,673	12
Participations in associated companies	73,585	73,585	15
Long-term receivables	3,972	2,072	17
Deferred tax assets	32,399	29,366	25
Total fixed assets	**894,763**	**850,863**	
Current assets			
Inventories	189,593	212,187	18
Accounts receivable	206,658	198,474	19
Income taxes recoverable	10,700	15,659	
Other receivables	20,305	14,055	19
Prepaid expenses and accrued income	17,610	17,645	19
Cash and cash equivalents	156,842	147,926	
Total current assets	**601,707**	**605,946**	
Total assets	**1,496,470**	**1,456,809**	
EQUITY AND LIABILITIES			
Equity			
Share capital	6,356	6,356	
Other contributed capital	25,697	25,697	
Translation reserves	46,988	-33,582	
Accumulated profit or loss	417,490	392,892	
Equity attributable to parent company shareholders	**496,531**	**391,363**	
Equity attributable to non-controlling interests	6,356	4,800	
Total equity	**502,887**	**396,163**	
Long-term liabilities			
Borrowings	340,000	380,456	22
Other long-term liabilities	11,523	28,677	32
Pension provisions	90,989	71,532	22,24
Deferred tax liabilities	54,134	56,727	25
Other provisions	7,785	7,373	26
Total long-term liabilities	**504,430**	**544,766**	
Current liabilities			
Borrowings	197,441	213,838	22
Customer advances	4,502	4,153	
Accounts payable	116,396	140,743	
Tax liabilities	14,687	24,070	
Other liabilities	40,578	40,480	32
Accrued expenses and deferred income	115,548	92,596	27
Total current liabilities	**489,153**	**515,880**	
Total liabilities	**993,583**	**1,060,646**	
Total equity and liabilities	**1,496,470**	**1,456,809**	

Information on the group's pledged assets and contingent liabilities is in Note 29.

Consolidated Statement of Changes in Equity

	Attributable to Parent Company Shareholders						
SEK 000	Share Capital [a]	Other Contributed Capital	Translation Reserves	Accumulated Profit or Loss [b]	Total	Non-controlling Interests	Total Equity
Opening equity, Jan. 1, 2013	6,311	17,648	-21,049	381,490	384,400	21,316	405,716
Net profit				44,218	44,218	148	44,366
Restatement of net pension obligations				9,714	9,714		9,714
Translation differences			-12,533		-12,533	827	-11,706
Comprehensive income	**6,311**	**17,648**	**-33,582**	**435,422**	**425,799**	**22,291**	**448,090**
Transactions with shareholders							
Dividends [d]				-23,668	-23,668		-23,668
Acquisitions				-18,862	-18,862	-17,491	-36,353
Other paid-up capital [c]	45	8,049			8,094		8,094
Closing equity, Dec. 31, 2013	**6,356**	**25,697**	**-33,582**	**392,892**	**391,363**	**4,800**	**396,163**

	Attributable to Parent Company Shareholders						
SEK 000	Share Capital [a]	Other Contributed Capital	Translation Reserves	Accumulated Profit or Loss [b]	Total	Non-controlling Interests	Total Equity
Opening equity, Jan. 1, 2014	6,356	25,697	-33,582	392,892	391,363	4,800	396,163
Net profit				61,725	61,725	966	62,691
Restatement of net pension obligations				-13,293	-13,293		-13,293
Translation differences			80,570		80,570	590	81,160
Comprehensive income	**6,356**	**25,697**	**46,988**	**441,324**	**520,365**	**6,356**	**526,721**
Transactions with shareholders							
Dividends [d]				-23,834	-23,834		-23,834
Acquisitions							
Other paid-up capital [c]							
Closing equity, Dec. 31, 2014	**6,356**	**25,697**	**46,988**	**417,490**	**496,531**	**6,356**	**502,887**

a 19,067,586 (19,067,586) shares with a quotient value of 0.33 (0.33) SEK. In 2013, the number of shares was increased by a share issue of 133,122 new shares. All shares are of the same share class.

b Including net profit.

c New share issue relating to warrants programs.

d Dividend per share was SEK 1.25 (1.25).

Consolidated Cash Flow Statement

SEK 000	2014	2013	Note
Operating activities			31
Profit before tax	96,781	71,874	
Adjustments for non-cash items, etc.	64,306	69,521	
Tax paid	-45,505	-25,592	
Cash flow from operating activities before changes in working capital	**115,582**	**115,803**	
Cash flow from changes in working capital			
Increase(-)/decrease(+) in inventories	34,025	25,735	
Increase(-)/decrease(+) in trade receivables	2,673	36,424	
Increase(+)/decrease(-) in trade liabilities	-15,635	29,948	
Cash flow from operating activities	**136,645**	**207,910**	
Investing activities			
Investments in intangible assets	-28,461	-24,382	
Investments in property, plant and equipment	-17,277	-15,870	
Sale of property, plant and equipment		-108	
Purchases of subsidiaries, net liquidity effect	-14,355	-26,265	
Investments in financial assets		-73,585	
Sale of other financial assets		-662	
Cash flow from investing activities	**-60,093**	**-140,872**	
Financing activities			
Proceeds from share issue		8,094	
Change in overdraft facility	3,599	17,951	
Borrowings		79,000	
Loan amortization	-60,286	-125,231	
Dividend paid to parent company shareholders	-23,834	-23,668	
Cash flow from financing activities	**-80,521**	**-43,854**	
Cash flow for the year	-3,969	23,184	
Cash and cash equivalents at beginning of year	147,926	128,469	
Exchange rate difference in cash and cash equivalents	12,885	-3,727	
Cash and cash equivalents at end of year	**156,842**	**147,926**	

Parent Company Income Statement

SEK 000	2014	2013	Note
Net sales	61,295	60,701	30
	61,295	**60,701**	
Operating expenses			
Sales and administration overheads	-86,833	-73,620	5,6,7,8,30
Other operating expenses			
Operating profit	**-25,538**	**-12,919**	
Profit from financial items			
Profit from other securities and receivables classified as fixed assets	11,742	822	9
Dividend from subsidiaries	53,699	66,959	9
Other interest income, etc.	8,678	7,678	9
Interest expenses, etc.	-15,332	-20,435	9
Profit after financial items	**33,249**	**42,105**	
Appropriations	10,913	27,896	10
Profit before tax	**44,162**	**70,001**	
Tax on profit for the year	335	-1,383	11
Net profit and comprehensive income for the year	**44,497**	**68,618**	

Parent Company Balance Sheet

SEK 000	Dec. 31, 2014	Dec. 31, 2013	Note
ASSETS			
Fixed assets			
Intangible assets	**41,534**	**42,820**	12
Property, plant and equipment	**740**	**1,049**	13
Financial assets			
Participations in group companies	383,385	383,385	14
Receivables from group companies	300,046	339,908	16
Shares in associated companies	73,585	73,585	15
Deferred tax assets	3,762	2,936	
Total financial assets	**760,778**	**799,814**	
Total fixed assets	**803,052**	**843,683**	
Current assets			
Current receivables			
Receivables from group companies	26,075	40,978	
Income taxes recoverable	1,126	1,120	
Other receivables	1,278	56	
Prepaid expenses and accrued income	4,907	5,520	19
Total current receivables	**33,386**	**47,674**	
Cash and bank balances	6,591	11,958	
Total current assets	**39,977**	**59,632**	
Total assets	**843,029**	**903,315**	

SEK 000	Dec. 31, 2014	Dec. 31, 2013	Note
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital [a]	6,356	6,356	
Statutory reserve	1,244	1,244	
Total restricted equity	**7,600**	**7,600**	
Non-restricted equity			
Retained earnings	89,016	44,232	
Net profit	44,497	68,618	
Total non-restricted equity	**133,513**	**112,850**	
Total equity	**141,113**	**120,450**	
Untaxed reserves	**1,050**	**3,925**	**21**
Provisions			
Pension provisions	4,380	3,782	
Total provisions	**4,380**	**3,782**	
Long-term liabilities			
Liabilities to credit institutions	340,000	380,000	23
Liabilities to group companies	74,398	96,701	
Other long-term liabilities	3,906	19,730	
Total long-term liabilities	**418,304**	**496,431**	
Current liabilities			
Liabilities to credit institutions	196,482	213,664	23
Accounts payable	6,221	7,491	
Liabilities to group companies	40,636	28,411	
Other liabilities	15,515	18,949	
Accrued expenses and deferred income	19,328	10,212	27
Total current liabilities	**278,182**	**278,727**	
Total equity and liabilities	**843,029**	**903,315**	

a The number of shares in the company is 19,067,586 (19,067,586).

Parent Company Pledged Assets and Contingent Liabilities

SEK 000	Dec. 31, 2014	Dec. 31, 2013	Note
Pledged Assets	None	None	
Contingent liabilities	34,180	28,134	29

Parent Company Statement of Changes in Equity

	Restricted Equity		Non-restricted Equity		
SEK 000	*Share Capital* [a]	Statutory Reserve	Accumulated Profit or Loss	Net Profit	Total Equity
Opening equity, Jan. 1, 2013	**6,311**	**1,244**	**59,851**		**67,406**
Net profit				68,618	68,618
Total changes to net worth, exc. transactions with company's shareholders	**6,311**	**1,244**	**59,851**	**68,618**	**136,024**
New issue [b]	45		8,049		8,094
Dividend			-23,668		-23,668
Closing equity, Dec. 31, 2013	**6,356**	**1,244**	**44,232**	**68,618**	**120,450**

	Restricted Equity		Non-restricted Equity		
SEK 000	*Share Capital* [a]	Statutory Reserve	Accumulated Profit or Loss	Net Profit	Total Equity
Opening equity, Jan. 1, 2014	**6,356**	**1,244**	**112,850**		**120,450**
Net profit				44,497	44,497
Total changes to net worth, exc. transactions with company's shareholders	**6,356**	**1,244**	**112,850**	**44,497**	**164,947**
Dividend			-23,834		-23,834
Closing equity, Dec. 31, 2014	**6,356**	**1,244**	**89,016**	**44,497**	**141,113**

a	*2014*	*2013*
No. of shares	*19,067,586*	*19,067,586*
Quotient value (SEK)	*0.33*	*0.33*

b In 2013, the number of shares was increased by a share issue of 133,122 new shares.

Parent Company Cash Flow Statement

SEK 000	2014	2013	Note
Operating activities			
Profit after financial items	33,249	42,105	31
Adjustments for non-cash items, etc.	7,445	7,287	
Tax paid	-497	-817	
Cash flow from operating activities before changes in working capital	**40,197**	**48,575**	
Cash flow from changes in working capital			
Increase (-)/decrease (+) in trade receivables	14,294	-13,918	
Increase (+/decrease (-) in trade liabilities	24,675	31,886	
Cash flow from operating activities	**79,166**	**66,543**	
Investing activities			
Investments in intangible assets	-5,158	-3,014	
Investments in property, plant and equipment	-94	-638	
Sale of property, plant and equipment		95	
Investments/amortization of financial assets		-73,585	
Purchase of subsidiaries, affecting net liquidity		-26,265	
Cash flow from investing activities	**-5,252**	**-103,407**	
Financing activities			
Proceeds from share issue		8,094	
Borrowings	2,818	79,000	
Increase/decrease of financial liabilities	1,735	55,127	
Loan amortization	-60,000	-70,000	
Dividend paid	-23,834	-23,668	
Cash flow from financing activities	**-79,281**	**48,553**	
Cash flow for the year	-5,367	11,689	
Cash and cash equivalents at beginning of year	11,958	269	
Cash and cash equivalents at end of year	**6,591**	**11,958**	

Note 1

Accounting Principles

(a) General Information

Beijer Electronics AB and its subsidiaries form a multinational group that develops, markets and sells products and solutions in industrial automation and data communication. Beijer Electronics AB is registered in Sweden and has its registered office in Malmö. The address of the head office is Box 426, Stora Varvsgatan 13 A, 201 24 Malmö, Sweden. The company is quoted on the NASDAQ OMX Nordic Stockholm Small Cap List.

The most important accounting principles applied when preparing these Consolidated Accounts are stated below. These principles have been applied consistently for all years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Consolidated Accounts have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Regulations for Groups and IFRS (International Financial Reporting Standards) and IFRIC interpretation statements as endorsed by the EU and to the extent they came into effect before January 1, 2015. Standards that came into effect from January 1, 2015 onwards, for which earlier adoption has been encouraged, did not affect Beijer Electronics' accounting for 2014. The Consolidated Accounts have been prepared in accordance with the cost method financial assets and liabilities measured at fair value through profit or loss.

Introduction of New and Revised Accounting Principles

i) New and amended standards applied by the group

The standards the group is applying for the first time in the financial year that begins January 1, 2014, and which have a significant effect on the consolidated financial statements follow:

IFRS 10 "Consolidated Financial Statements" builds on existing principles for defining control as the critical factor for determining whether a company should be included in the consolidated accounts. The standard provides further guidance to assist in defining control when this is difficult to assess.

IFRS 12 "Disclosures of Interests in Other Entities" covers disclosure requirements for all forms of holdings in other companies, such as subsidiaries, joint arrangements, associated companies and non-consolidated structured entities.

Other standards, amendments and interpretation statements that apply to the financial year beginning on January 1, 2014 have not had any significant impact on the group's financial statements.

(ii) New standards, amendments and interpretation statements regarding existing standards that have not yet come into effect and have not been applied prospectively by the group

A number of new standards and interpretation statements come into effect from financial years that begin after January 1, 2014 and have not been adopted in the preparation of this financial report. None of the above are expected to have any material impact on the consolidated accounts apart from the following:

IFRS 9, "Financial Instruments" deals with the presentation, measurement and recognition of financial liabilities and assets. The complete version of IFRS 9 was issued in July 2014 and replaces those parts of IAS 39 relating to the presentation and measurement of financial instruments. IFRS 9 retains a mixed-measurement model, although it has been simplified in some respects. There are three measurement categories for financial assets, amortized cost, fair value recognized in Other Comprehensive Income and fair value recognized in the Income Statement. The presentation of an instrument depends on the company's business model and the characteristics of the instrument. Investments in equity instruments are recognized at fair value in the Income Statement but there is also an option to recognize the instrument at fair value in Other Comprehensive Income on first-time recognition. In such cases, no reclassification to the Income Statement will occur when the instrument is sold. IFRS 9 also introduces a new model for calculating credit loss provisions arising from expected credit losses. For financial liabilities, there is no change in presentation and measurement except in cases where a liability is reported at fair value in the Income Statement based on the fair value option. Changes in value attributable to changes in own credit risk are then recognized in Other Comprehensive Income. IFRS 9 reduces the requirements for hedge accounting as the 80-125 criterion is replaced by a requirement for an economic relationship between the hedging instrument and the hedged item where the hedging ratio must correspond to that used in risk management. There are also only limited changes to the hedging documentation compared to those produced under IAS 39. The standard will apply from the financial year starting January 1, 2018. Early adoption is permitted. The group has not yet evaluated the effects of introducing the standard.

IFRS 15 "Revenue from contracts with customers" regulates revenue recognition. The principles IFRS 15 is based on are intended to give users of financial reports more useful information about the company's revenue. The expanded disclosure requirements mean that information relating to revenue class, date of settlement, uncertainty associated with revenue recognition and cash flow attributable to the company's customer contracts must be presented. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and associated SIC and IFRIC. IFRS 15 becomes effective on January 1, 2017. Early adoption is permitted. The group has not yet evaluated the implications of introducing the standard.

(b) Basis of Preparation of the Parent Company and Consolidated Accounts

The parent company's functional currency is Swedish krona (SEK), which is also the presentation currency for the parent company and the group. This implies that the financial statements are presented in SEK. All amounts, unless otherwise indicated, have been rounded to the nearest SEK 000.

Preparing the financial statements in accordance with IFRS requires that the company management makes judgments and estimates as well as assumptions that influence the application of the accounting principles and the reported amounts of assets, liabilities, revenue and expenses. The estimates and assumptions are based on historical experiences and a number of other factors that appear reasonable in the prevailing circumstances. The result of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that would otherwise not be clearly apparent from other sources. Actual outcomes may differ from these estimates and judgments.

Assumptions relating to impairment tests of goodwill and other intangible assets, provisions for pension obligations and deferred tax are the area where estimates and assumptions could imply a risk for restatements of reported values of assets and liabilities in future financial years. These estimates and assumptions are described in more detail in Note 12, Intangible assets and in Note 24, Pension Provisions, etc. and in Note 25, Deferred Tax.

The estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period the change was made if the change affects this period only, or in the period the change is made and future periods if the change affects both the relevant period and future periods.

The group's accounting principles outlined below have been applied consistently to all periods presented in the Consolidated Accounts, unless otherwise indicated below. The group's accounting principles have been applied consistently to reporting and the consolidation of the parent company, subsidiaries and associated companies. The Annual Accounts and Consolidated Accounts were approved for issuance by the Board of Directors on March 20, 2015. The Consolidated Income Statement and Balance Sheet and the parent company's Income Statement and Balance Sheet will be subject to adoption at the Annual General Meeting (AGM) on April 22, 2015.

(c) Segment Reporting

Operating segments are reported in a manner that is consistent with internal reporting as submitted to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocating resources and assessing the results of operating segments. In the group, this function has been identified as the management team.

(d) Classification etc.

Essentially, parent company and consolidated fixed assets and long-term liabilities are amounts expected to be recovered or paid after more than 12 months from the reporting date only. Essentially, parent company and consolidated current assets and current liabilities are amounts expected to be recovered or paid within 12 months of the reporting date only.

(e) Consolidation Principles

(i) Subsidiaries

Subsidiaries are companies that Beijer Electronics AB exerts a controlling influence over, which means a direct or indirect right to formulate a company's financial and operational strategy with the purpose of receiving economic reward. Judgments of whether a controlling influence exists should consider potential shares conferring votes, which can be used or converted immediately. The group also judges whether controlling influence applies despite it not having a shareholding of more than half of the voting rights, but is still able to control financial and operational strategies through de facto control. De facto control can arise in circumstances where the share of the group's voting rights in relation to the size and diversity of other shareholders' voting rights gives the group the possibility of controlling financial and operational strategies, etc.

Subsidiaries are reported in accordance with acquisition accounting, which means that the acquisition of a subsidiary is treated as a transaction whereby the group indirectly acquires a subsidiary's assets and takes over its liabilities and contingent liabilities. The consolidated cost is determined through an acquisition analysis related to the acquisition. This analysis partly determines the cost of the shares or operation, partly the fair value of the acquired identifiable assets at the acquisition date, and liabilities and contingent liabilities taken over. Non-controlling interests in the acquired company are recognized at fair value.

The cost of the subsidiary shares and operations is the fair value at the transfer date of assets, liabilities that have arisen or have been taken over, and issued equity instruments submitted as payment in exchange for the acquired net assets, and for acquisitions executed prior to January 1, 2010, transaction expenses directly related to the acquisition. For business combinations where the acquisition cost exceeds the net value of the acquired assets and liabilities taken over and contingent liabilities, the difference is reported as goodwill. The group applies the full goodwill valuation method for the reporting of goodwill. When negative, the difference is reported directly in the Income Statement.

In step acquisitions, the previous equity participations in the acquired entity are restated at fair value on acquisition. Potential profit or loss resulting from the restatement is recognized in profit or loss.

Each conditional purchase price to be transferred by the group is recognized at fair value on acquisition. Subsequent changes to fair value of a conditional purchase price classified as an asset or liability are recognized in accordance with IAS 39, either in the Income Statement or other comprehensive income. Conditional purchase price classified as equity is not restated, and subsequent settlement is recognized in equity.

Subsidiary financial statements are included in the Consolidated Accounts from acquisition date to the date the controlling influence ceases.

The accounting principles for subsidiaries have, where applicable, been amended to guarantee the consistent application of the group's principles.

(ii) Changes in Participating Interest in a Subsidiary without Change of Control

Transactions with non-controlling interests that do not result in loss of control are recognized as equity transactions – i.e. as transactions with shareholders in their capacity as owners. In acquisitions from non-controlling interests, the difference between fair value of the purchase price paid and the actual acquired share of the carrying amount of subsidiary net assets is recognized in equity. Gains and losses on sales to non-controlling interests are also recognized in equity.

(iii) Sale of Subsidiaries

When the group no longer has a controlling influence, each remaining holding is stated at fair value at the time when control is lost. The amendment in carrying amount is recognized in the Income Statement. The fair value is used as the first-time carrying amount and is the basis for continued recognition of the remaining holding as an associated company, joint venture or financial asset. All amounts relating to the disposed unit previously recognized in other comprehensive income are reported as if the group had directly disposed of the related assets or liabilities. This may result in amounts previously recognized in other comprehensive income being reclassified to profit or loss.

(iv) Associated Companies

Associated companies are all companies where the group exerts a significant, but not controlling, influence, which generally applies to share holdings of between 20 and 50% of the votes. Holdings in associated companies are reported according to the equity method. When applying the equity method, the investment is initially measured at cost and the carrying amount is increased or decreased subsequently to consider the company's share of the associated company's profit or loss after acquisition. The group's carrying amount of holdings in the associated company includes goodwill identified at acquisition.

If the participating interest in an associated company decreases but the investment remains an associated company, only a proportional amount of that gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

The group's share of profit or loss arising after the acquisition is recognized in the Income Statement and its share of changes in other comprehensive income after the acquisition is recognized in other comprehensive income with the corresponding change of the holding's carrying amounts. When the group's share of an associated company's losses amount to, or exceed, its holding in the associated company, including potential unsecured receivables, the group no longer reports additional losses, unless the group has undertaken legal or informal obligations, or made payments on the associated company's behalf.

At the end of each reporting period, the group judges whether there is objective evidence of impairment of its investment in the associated company. If so, the group measures the impairment loss as the difference between the associated company's recoverable value and the carrying amount and reports this amount in "profit share in associated companies" in its Income Statement.

Gains and losses from "upstream" and "downstream" transactions between the group and its associated companies are recognized in the consolidated financial statements only to the extent they correspond to non-affiliated companies' holdings in the associated company. Unrealized losses are eliminated unless the transaction constitutes evidence that the asset taken over is impaired.

The accounting principles applied in associated companies have been amended where applicable to guarantee consistent application of the group's principles.

Dilution gains and losses on participations in associated companies are recognized in the Income Statement.

(v) Transactions Eliminated on Consolidation

Intra-group receivables and liabilities, revenues or expenses and unrealized profits or losses that arise from intra-group transactions between group companies are wholly eliminated when preparing the Consolidated Accounts.

Unrealized profits that arise from transactions with associated companies and jointly controlled companies are eliminated to the extent corresponding to the group's participating interest in the company. Unrealized losses are eliminated in the same way as unrealized profits, but only to the extent that there is no indication of any value impairment.

(f) Foreign Currency

(i) Transactions and Balance Sheet Items

Foreign currency transactions are translated to functional currency at the rate of exchange ruling on the transaction date. The functional currency is the currency in the primary economic environments where the company conducts business. Foreign currency monetary assets and liabilities are translated to functional currency at the closing day rate. The exchange rate differences arising from translation of trade assets and liabilities, such as accounts receivable and accounts payable, are recognized in operating profit or loss. Other exchange rate differences are recognized as a financial income or financial expense in the Income Statement.

(ii) Financial Statements of Foreign Operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surplus values and deficits, are translated from the functional currency of the foreign operations to the group's presentation currency, Swedish kronor, at the closing day rate. Income and expenses of foreign operations are translated to Swedish kronor at an average rate of exchange, which is an approximation of the rates of exchange at each transaction date. Translation differences arising coincident with translation of foreign operations are reported directly against other comprehensive income as a translation reserve.

(g) Revenues

(i) Goods Sales and Service Assignments

Consolidated revenue consists of sales of goods and services. Revenues measured at the fair value of what has been received or will be received, correspond to those amounts received for goods sold after deducting discounts, returns and value-added tax. Revenues are recognized in the Income Statement when the essential risks and rewards associated with ownership have been transferred to the buyer. Revenue from service assignments is recognized in the Income Statement according to the percentage of completion method. The percentage of completion is calculated on the basis of degree of completion based on expenses incurred as a proportion of total estimated expenses. Revenue is not reported to accounts if it is considered probable that the economic rewards will not flow to the group.

If there is significant uncertainty regarding payment, associated expenses or the risk of returns, and if the seller retains its commitment to ongoing management, usually associated with ownership, no revenue is recognized.

(h) Operating Expenses, Financial Income and Expenses

(i) Cost of Operating Leases

Payments for operating lease arrangements are reported on a straight-line basis in the Income Statement over the lease term. Benefits received coincident with signing the contracts are reported as a portion of the total lease expense in the Income Statement.

(ii) Cost of Finance Leases

Minimum lease charges are divided between interest expenses and amortization of the outstanding liability. Interest expenses are allocated over the lease term so each accounting period is charged with an amount corresponding to fixed interest rates for the liability reported for the relevant period. Variable expenses are expensed in the periods they arise.

(iii) Financial Income and Expenses

Financial income and expenses are interest income on bank balances, receivables and interest-bearing securities, interest expenses on loans, dividend income and realized and unrealized exchange rate differences finance or investments in foreign currency. Interest income is recognized as revenue allocated over the term by applying the effective interest method.

The interest component of finance lease payments is reported in the Income Statement by applying the effective interest method. Dividend income is reported when the right to receive the payment is determined.

(i) Financial Instruments

Initially, financial instruments, apart from financial instruments in the categories of financial assets and liabilities measured at fair value through profit or loss, are reported at cost corresponding to the fair value of the instrument plus transaction expenses.

Financial instruments in the category of financial assets and liabilities measured at fair value through profit or loss are initially reported at fair value excluding transaction expenses.

Later, reporting of financial instruments depends on how the instruments are classified, as follows.

A financial asset or liability is reported in the Balance Sheet when the company becomes party to the instrument's contracted terms. Accounts receivable are reported in the Balance Sheet when the invoice has been sent. Liabilities are recognized when the counterparty has delivered, and there is a contracted payment liability, even if no invoice has been received as yet. Accounts payable are recognized when invoices are received.

A financial assets is derecognized from the Balance Sheet when the contracted rights are realized, mature, or the company relinquishes control over them. The same applies to parts of a financial asset. A financial liability is derecognized from the Balance Sheet when the contracted commitments are fulfilled or extinguished in some other way. The same applies to parts of a financial liability.

Purchases and sales of financial assets are reported on the transaction date, which is the date the company undertakes to buy or sell the asset, apart from those cases where the company buys or sells listed securities, when settlement day accounting is applied.

The company evaluates whether there are objective indications that a financial asset or a group of financial assets are impaired at each reporting date.

In accordance with IAS 39, the group classifies financial instruments in the following categories: financial assets or liabilities measured at fair value through profit or loss, investments held to maturity, loan receivables and accounts receivable, financial assets held for sale and other financial liabilities. The classification depends on the intention of the purchase of the financial instrument. Management determines classification of financial instruments on initial recognition.

Currently, financial instruments in the categories of loan receivables and accounts receivables, other financial liabilities and financial liabilities valued at fair value are held.

Loan Receivables and Accounts Receivable

'Loan receivables and accounts receivable' are financial assets that are not derivatives with fixed payments or payments that can be determined, and that are not listed on a recognized marketplace. These receivables arise when the company supplies funds, goods and services directly to the borrower, without intending to conduct trading in the receivable rights. This category also includes acquired receivables. Assets in this category are measured at amortized cost. The balance sheet item termed long-term receivables is included in this category.

Other Financial Liabilities

Financial liabilities not held for trading are measured at amortized cost. Amortized cost is determined on the basis of the effective interest calculated when the liability arose. This means that surplus values and deficits, and direct issue expenses, are allocated over the term of the liability. Long-term liabilities have an anticipated term of longer than one year while current liabilities have a term of less than one year.

Cash and Cash Equivalents

Cash and cash equivalents are cash and immediately available receivables with banks and similar institutions plus short-term liquid investments with a term from the time of acquisition not exceeding three months that are subject to only a negligible risk of value fluctuations. Cash and cash equivalents belong to the category loans receivable and accounts receivable.

Long-term Receivables and Other Current Receivables

Long-term receivables and other current receivables are receivables that arise when the company supplies funds without the intention of trading the right to receivables. If the anticipated period of holding is longer than one year, they are classified as long-term receivables, and if the period is shorter than one year, as other receivables. These receivables belong to the loan receivables and accounts receivable category.

Accounts Receivable

Accounts receivable are classified in the loan receivables and accounts receivable category. Accounts receivable are reported at the amount expected to be received after deductions for doubtful debt following individual assessment. The anticipated term of the accounts receivable is short, implying that the value is reported to accounts at the nominal amount without discounting. Provisions are made for depreciation of accounts receivable when there is objective evidence that the group will not obtain all amounts that are due to it according to the original terms and conditions of the receivables. Indicators of impairment of accounts receivable may include significant financial difficulties experienced by the debtor, probability that the debtor will enter bankruptcy or undergo financial reconstruction as well as absent or delayed payments (overdue by more than 120 days). Impairment of accounts receivable is reported under operating expenses.

(j) Property, Plant and Equipment

(i) Owned Assets

Property, plant and equipment are reported as assets in the Balance Sheet if it is likely that future economic rewards will flow to the company, and the cost of the asset can be reliably measured.

Property, plant and equipment are reported at cost in the group less accumulated depreciation and potential impairment. The purchase price and costs directly attributable to the asset to bring it to the place and condition to be utilized in accordance with the purpose of the acquisition are included in the cost. Examples of directly attributable expenses included in costs are expenses for delivery and processing, installation, registration, consulting and legal services. The accounting principles for impairment are stated below.

Property, plant and equipment that consist of components with differing useful lives are treated as separate components of property, plant and equipment.

The carrying amount of property, plant and equipment is derecognized from the Balance Sheet on obsolescence or disposal, or when no future economic rewards are expected from usage or obsolescence/disposal of the asset. Gains or losses arising from the disposal or obsolescence of an asset are the difference between the sales price and the asset's carrying amount less deductions for direct selling expenses. Gains and losses are reported as other operating revenue/expenses.

(ii) Leased Asset

In the Consolidated Accounts, lease arrangements are classified as finance or operating leases. Finance leases occur when essentially, the economic risks and rewards associated with ownership are transferred to the lessee, and if not, they are classified as operating leases.

Assets held through finance lease arrangements have been reported as an asset in the Consolidated Balance Sheet. The obligation to pay future lease charges has been reported as long-term and current liabilities. The leased assets are subject to planned depreciation while lease payments are reported as interest and amortization of the liabilities.

In operating leases, lease charges are expensed during the term, proceeding from usage, which can differ from what is actually paid in lease charges de facto in the year.

(iii) Additional Expenditure

Additional expenditure is added to cost only if it is likely that the future economic rewards associated with the asset will flow to the company, and the cost can be reliably measured. All other additional expenditure is reported as an expense in the period it arises.

When additional expenditure is added to cost, it is decisive whether this expenditure relates to the exchange of identifiable components, or parts of components, whereupon such expenditure is capitalized. In those cases when new components are created, expenditure is also added to cost. Potential un-depreciated carrying amounts of exchanged components, or parts of components, are subject to obsolescence and expensed at exchange. Repairs are expensed continuously.

(iv) Depreciation Principles

Depreciation is on a straight-line basis over the estimated useful life of an asset; land is not depreciated. The group utilizes component depreciation, which means that the assessed useful lives of components are the basis for depreciation. Estimated useful lives:

Buildings, real estate used in business operations	5–60 years
Machinery and other plant	3–12 years
Equipment, tools fixtures and fittings	2–8 years

Real estate used in business operations has a number of components with differing useful lives. The main division is between buildings and land. No depreciation is affected on the land component, whose useful life is considered indefinite. However, buildings have several components whose useful lives vary.

The useful lives of these components have been assessed to vary between 5 and 60 years.

The following main groups of components have been identified and form the basis for depreciation on buildings:

Building decorations, China	5 years
Other real estate components	25–60 years

The residual value and useful life of an asset is estimated yearly.

(k) Intangible Assets

(i) Goodwill

Goodwill is the difference between the cost of a business combination and the fair value of the acquired assets, liabilities taken over and contingent liabilities.

Goodwill is measured at cost less potential accumulated impairment. Goodwill is allocated to cash-generating units, and is subject to yearly impairment tests. Impairment tests compare carrying amounts with estimated recoverable amounts. If the carrying amount exceeds the recoverable amount, the item is impaired. Impairment of good- will is not reversed. Goodwill arising from acquisitions of associated companies is included in the carrying amount of participations in associated companies.

At business combinations, where acquisition cost is less than the net value of the acquired assets and liabilities taken over, and contingent liabilities, the difference is reported directly to the Income Statement.

(ii) Development

Expenditure for development, where research results or other knowledge are used to achieve new products, is reported as an asset in the Balance Sheet, if the product is technically and commercially usable and the company has sufficient resources to complete development, and use or sell the intangible asset later. The carrying amount includes expenditure for materials, direct expenditure for salaries and indirect expenditure that can be attributed to the asset in a reasonable and consistent way. Other expenditure for development is reported in the Income Statement as an expense when it arises. Development expenditure is reported in the Balance Sheet at cost less accumulated depreciation and potential impairment.

(iii) Other Intangible Assets

Other intangible assets acquired by the group are reported at cost less accumulated depreciation and impairment (see below).

Disbursed expenses for internally generated goodwill and internally generated brands are reported in the Income Statement when the expense arises.

(iv) Additional Expenditure

Additional expenditure for capitalized intangible assets is reported as an asset in the Balance Sheet only when it increases the future economic rewards for the specific asset to which it is attributable. All other expenditure is expensed as it arises.

(v) Depreciation

Depreciation is reported in the Income Statement on a straight-line basis over the estimated useful lives of intangible assets, providing such useful lives are not indefinite. Goodwill and intangible assets with indefinite useful lives are subject to impairment tests yearly, or as soon as any indication that suggests that the asset's value is impaired arises. Intangible assets with determinable useful lives are amortized from the date they become available for use.

The estimated useful lives are:

Trademarks and brands	7–20 years
Customer contracts	4–10 years
(remaining contract term)	
Capitalized development expenditure	3–5 years
Capitalized IT expenditure	3–10 years
Technology platforms	5 years

(l) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is estimated using the FIFO method. The net realizable value is the estimated sales price in operating activities, less estimated expenses for completing and achieving a sale.

The cost of produced goods and work in progress includes a reasonable proportion of indirect expenses based on normal capacity.

(m) Impairment

The carrying amounts of the group's assets are subject to impairment tests at each reporting date. An exemption is made for inventories and deferred tax assets. If there is an indication of value impairment, the assets' recoverable value is calculated. For assets subject to the above exemption, valuations are tested according to the relevant standard. Recoverable values of goodwill and other intangible assets within definite useful lives and intangible assets not yet ready for use are calculated yearly.

If it is impossible to determine significant independent cash flows of an individual asset, when conducting impairment tests, assets should be grouped at the lowest level it is possible to identify significant independent cash flows (cash-generating unit). Impairment is reported when an asset's or cash-generating unit's carrying amount exceeds recoverable value. Impairment is reported to the Income Statement.

Impairment of assets attributable to a cash-generating unit (group of units) is primarily assigned to goodwill. Later, proportional impairment of other assets included in the unit is effected (group of units).

Goodwill and other intangible assets with indefinite lives are subject to impairment tests yearly.

(i) Calculating Recoverable Value

The recoverable value of assets in the loan receivables and accounts receivable categories should be reported at accrued cost, calculated as the present value of future cash flows, discounted by the effective interest prevailing when the asset was reported for the first time. Assets with short terms are not discounted.

The recoverable value of other assets is the greater of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted by a discount factor that considers risk-free interest, and the risk associated with the specific asset. For an asset that does not generate cash flows, which is significantly independent from other assets, the recoverable value of the cash-generating unit to which the asset belongs is calculated.

(ii) Reversal of Impairment

Impairment of loan receivables and accounts receivable reported at accrued cost are reversed if a subsequent increase in recoverable value can be objectively attributed to an event that has occurred after the impairment was effected.

Goodwill impairment is not reversed.

Impairment of other assets is reversed if a change in the assumptions that served as the basis for calculating the recoverable value has occurred.

Impairment is only reversed to the extent the asset's carrying amount after reversal does not exceed the carrying amount the asset would have had if no impairment had been effected, considering the depreciation that would then have been effected.

(n) Share Capital

(i) Re-purchase of Treasury Shares

Holdings of treasury shares and other equity instruments are reported as a reduction in equity. Acquisitions of such instruments are reported as a deduction from equity. Payment from divestments of equity instruments is reported as an increase in equity. Potential transaction expenses are reported directly against equity.

(ii) Dividends

Dividends are reported as a liability after AGM approval.

(o) Employee Benefits

(i) Defined-contribution Plans

A defined-contribution plan is a pension plan according to which the group pays fixed fees to a separate legal entity. The group is under no legal or informal obligation to pay any further fees if such legal entity does not hold sufficient assets to pay all employee benefits that are connected with the employee's service in the present or previous periods. Commitments relating to fees for defined-contribution plans are reported as an expense in the Income Statement when they arise.

(ii) Defined-benefit Plans

A defined-benefit plan is a pension plan that is not defined contribution. The distinguishing feature of defined-benefit plans is that an amount is indicated for the pension benefit an employee will receive after retirement, usually based on one or several factors like age, length of service and salary. The group has defined-benefit plans in the parent company, subsidiaries in Sweden and two of the subsidiaries in Taiwan.

The group's net commitments regarding defined-benefit plans are calculated separately for each plan by estimating the future benefits the employee would have accrued through his/her service in present and previous periods; these benefits are discounted to present value, and the fair value of potential plan assets is deducted. The discount rate is the yield at the reporting date of an investment grade corporate bond with a maturity corresponding to the group's pension obligations. When there is no recognized market for such corporate bonds, market yields on government bonds with a corresponding maturity are used instead. The group has utilized Swedish mortgage bonds with a maturity of 10 years as the basis for determining the discount rate for the defined-benefit plans in Sweden. This rate has then been extrapolated by the interest rate difference between Swedish government bonds with maturities corresponding to the average duration of the group's pension obligations and a Swedish government bond with a maturity of 10 years. The yield on investment grade corporate bonds has been used for the calculation of defined-benefit plans. The calculation is conducted by a qualified actuary using the 'projected unit credit method.'

When the benefits of a plan improve, the proportion of the increased benefit attributable to employee service in previous periods is reported as an expense on a straight-line basis in the Income Statement allocated over the average period until the benefits are fully vested. If the benefits are fully vested, an expense is reported in the Income Statement directly.

Actuarial gains and losses resulting from judgments based on experience and changes to actuarial assumptions are recognized in other comprehensive income in the period they occur.

Expenses regarding services rendered in previous periods are recognized directly in profit or loss.

(iii) Dismissal Pay

A provision is reported coincident with notices of redundancy issued to staff, only if the group has a proven obligation to conclude employment before the normal time, or when remuneration is paid as an offering to encourage voluntary redundancy. In those cases the company issues redundancy notices, a detailed plan is prepared, which as a minimum, includes workplaces, positions and approximate number of affected staff, and remuneration for each staff category or position and the time of the plan's execution.

(iv) Bonus and Profit Share Plans

There are bonus and profit share plans in the group. Profit share plans are based on trading profit and are payable if a predetermined target is achieved. The expenses for bonus and profit share plans are charged in the year when there is a legal obligation.

(p) Provisions

A provision is reported in the Balance Sheet when the group has an existing legal or informal obligation ensuing from an event that has occurred, and it is likely that an outflow of economic resources will be necessary to settle the commitment, and the amount can be reliably estimated. When the effect of the timing of the payment is significant, the provisions are calculated by discounting the expected future cash flow by an interest rate before tax that reflects the relevant market valuation of the time value of money and, if applicable, the risks associated with the liability.

(q) Tax

Income tax is made up of current tax and deferred tax. Income tax is reported in the Income Statement apart from when the underlying transaction is reported directly against other comprehensive income and equity respectively, whereupon the associated tax effect is reported in against other comprehensive income and equity respectively.

Current tax is tax paid or received for the present year, applying the tax rates that are enacted or substantively enacted as of the reporting date, which also include adjustments of current tax attributable to previous periods.

Deferred tax is calculated in accordance with the balance sheet method, proceeding from temporary differences between the book and taxable values of assets and liabilities. The following temporary differences are not considered: for temporary differences arising on first-time accounting of goodwill, first-time accounting of assets and liabilities that are not business combinations and neither influence reported nor taxable earnings at the time of the transaction. Nor are temporary differences attributable to shares in subsidiaries and associated companies that are not expected to be reversed in the foreseeable future considered. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying those tax rates and tax regulations that are enacted or substantively enacted as of the reporting date.

Deferred tax assets regarding deductible temporary differences and loss carry-forwards are only reported to the extent that it is likely that they will be utilized. The value of deferred tax assets reduces when it is no longer considered likely that they can be utilized.

Deferred tax assets and liabilities are offset when there is a legal right to offset for current tax assets and tax liabilities and when the deferred tax assets and tax liabilities relate to tax debited by one and the same tax authority and either relate to the same taxpayer or different taxpayer, where there is an intent to settle the balances through net payments.

Potential additional income tax arising on dividends from foreign subsidiaries is reported as a liability.

(r) Contingent Liabilities

A contingent liability is reported when there is a possible commitment arising from events that have occurred, and whose incidence is confirmed only by one or more uncertain future events, or when there is a commitment that is not reported as a liability or a provision because it is unlikely that an outflow of resources will be necessary.

(s) Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the indirect method. Cash and cash equivalents are made up of cash funds and immediately available balances with banks and corresponding institutions, and short-term, liquid investments with a term of less than three months from the time of acquisition, exposed to only insignificant risk of value fluctuations.

Parent Company Accounting Principles

The parent company has prepared its Annual Accounts in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 means that in its Annual Accounts for the legal entity, the parent company applies all the IFRS and statements endorsed by the EU, if this is possible within the framework of the Annual Accounts Act, and considering the relationship between accounting and taxation. The recommendation states the exemptions from, and supplements to, IFRS.

Differences between the Group's and Parent Company's Accounting Principles

Differences between the group's and parent company's accounting principles are stated below. The following accounting principles of the parent company have been applied consistently for all periods published in the parent company's financial statements.

Subsidiaries and Associated Companies

In the parent company, shares in subsidiaries and associated companies are reported in accordance with acquisition accounting. Dividends from subsidiaries are reported as revenue.

Long-term Monetary Dealings

Long-term monetary dealings between the parent company and independent foreign operations that represent an extension or reduction of the parent company's investment in the foreign operation, are measured at historical rates of exchange in the parent company.

Financial Instruments

The parent company does not apply the valuation rules of IAS 39. In the parent company, financial assets are measured at cost less potential impairment, and financial current assets at the lower of cost or market.

Property, Plant and Equipment

Owned Assets

In the parent company, property, plant and equipment are reported at cost less deductions for accumulated depreciation and potential impairment in the same way as the group but with a supplement for potential write-ups.

Leased Assets

In the parent company, all lease arrangements are reported in accordance with the rules for operating leases.

Intangible Assets

Development

In the parent company, all development expenditure is reported as an expense in the Income Statement.

Employee Benefits

Defined-benefit Plans

The parent company uses a different basis for calculating defined-benefit plans than stipulated by IAS 19. The parent company follows the stipulations of the Swedish Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's instructions, because this is a pre-requisite for tax deductions. The most significant differences compared to IAS 19 are determining the discount rate, calculating the defined-benefit commitment on the basis of present salary levels and that all actuarial gains and losses are reported in the Income Statement when they arise.

Tax

In the parent company, untaxed provisions are reported including deferred tax liabilities. However, in the Consolidated Accounts, untaxed reserves are divided between deferred tax liabilities and equity.

Group Contributions and Shareholders' Contributions for Legal Entities

In accordance with the alternative rule of RFR 2, group contributions received and paid are recognized as appropriations. The tax effect of group contributions received and paid is recognized in the Income Statement in accordance with IAS 12. Shareholders' contributions are reported directly against the recipient's equity and increase the value of shares and participations of the issuer, to the extent no impairment is necessary.

Note 2

Segment Reporting

Management has decided that operating segments are used to reach strategic decisions. Management judges operations from a product perspective, where operating segments are divided into the Industrial Automation Solutions (IAS) and Industrial Data Communication (IDC) business areas.

At the beginning of 2014, the executive management team introduced a new global organizational structure that implied a change in reporting from three business areas to two. The IAS business area consists of the former Automation and HMI Products business areas. The change is a consequence of Beijer Electronics decision to buy back 15% of Automation from Mitsubishi Electric in 2013.

IAS develops, markets and sells operator terminals and IPC-based operator systems on a global basis, and markets and sells products from leading international vendors and data communication solutions from IDC in the Nordics and Baltics. IDC develops, markets and sells industrial data communications products on a global basis. 'Other' consists mainly of the parent company's shared functions.

Management judges operating segments based on operating profit.

Management also judges sales from a geographical perspective divided between the Nordic region, Rest of Europe, North America, Asia and Rest of World. The information presented for operating segment revenue is for the geographical regions grouped according to the location of customers.

2014

SEK 000	IAS	IDC	Other	Elimination	Total
Revenues					
External sales	923,183	478,395			1,401,578
Internal sales	23	4,643		-4,666	
Total sales	**923,206**	**483,038**		**-4,666**	**1,401,578**
Operating profit before depreciation and amortization*	**108,182**	**85,289**	**-18,691**	**3,851**	**178,631**
Depreciation of property, plant and equipment	-5,491	-10,227	-403	-3,757	-19,878
Amortization of intangible assets	-21,435	-17,263	-6,444		-45,141
Operating profit	**81,256**	**57,799**	**-25,538**	**94**	**113,612**
*of which restructuring expenses	-5,862		-10,800		-16,662
*of which divested operations	32,936				32,936

2013

SEK 000	IAS	IDC	Other	Elimination	Total
Revenues					
External sales	970,905	405,282			1,376,187
Internal sales	23	3,766		-92,597	
Total sales	**970,928**	**409,048**		**-92,597**	**1,376,187**
Operating profit before depreciation and amortization*	**85,714**	**64,292**	**-6,110**	**9,822**	**151,313**
Depreciation of property, plant and equipment	-5,436	-8,625	-511	-3,192	-17,764
Amortization of intangible assets	-22,104	-17,780	-6,298		-46,182
Operating profit	**58,174**	**37,887**	**-12,919**	**6,630**	**87,367**
*of which restructuring expenses	-5,633				-5,633

Internal pricing between the group's segments is determined on the basis of the arm's length principle, i.e. between parties that are mutually independent, well-informed and with an interest in the transactions.

The operating segments' profit or loss includes directly related items and items that can be allocated by segment in a reasonable and reliable way.

The group is not dependent on large customers. The group has no single customer representing more than 10% of the group's total sales.

Geographical Division of Sales

SEK 000	2014	2013
Sweden	268,003	289,056
Norway	123,371	117,996
Finland	62,710	66,955
Denmark	67,766	60,712
Nordics	**521,850**	**534,719**
Germany	151,951	146,820
UK	67,066	84,841
Rest of Europe	199,434	168,096
Total Europe	**940,301**	**934,476**
North America	258,871	251,029
Asia	174,743	167,801
Rest of World	27,663	22,881
Total	**1,401,578**	**1,376,187**

Note 3

Cost Types

The Consolidated Income Statement classifies expenses by function. Information on the significant cost types follows.

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Cost of materials	596,709	623,537
Salaries, benefits and social security expenses	387,745	409,823
Amortization and depreciation of intangible assets and property, plant and equipment	65,020	63,946
Other expenses	279,072	193,023
	1,328,546	**1,290,329**

Note 4

Other Operating Revenue and Operating Expenses

SEK 000	2014	2013
Group		
Profit/loss from divested operations*	32,936	
Exchange rate gains on trade receivables/liabilities	16,912	13,907
Exchange rate losses on trade receivables/liabilities	-11,966	-13,681
Other	2,697	1,283
	40,579	**1,509**

**In 2014, Beijer Electronics divested the IAS business area's US Vehicle division to Israeli firm Micronet. The transaction generated capital gains of 32,936,000 SEK before tax, but did not materially affect the group's or the IAS business area's non-current assets.*

The management judges that the divestment implies a reduction in group sales of some 70 MSEK annually going forward. The effect on future operating profit is judged to be marginal.

Note 5

Fees and Reimbursement to Auditors

SEK 000	2014	2013
Group		
PricewaterhouseCoopers		
Auditing	1,401	1,481
Auditing in addition to audit assignment	20	169
Tax consultancy	234	160
Other assignments	110	102
Total PwC	**1,765**	**1,912**
Other auditors		
Auditing	258	243
Tax consultancy	28	24
Other assignments		
Total other auditors	**286**	**267**
Parent company		
PricewaterhouseCoopers		
Auditing	580	602
Auditing in addition to audit assignment	20	169
Tax consultancy	54	87
Other assignments	22	18
Total PwC	**676**	**876**

Note 6

Operating Lease Payments

SEK 000	2014	2013
Group		
Total lease expenses	**32,946**	**27,671**
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	29,659	26,609
Between one and five years	76,214	61,023
Total	**105,873**	**87,632**
Parent Company		
Total lease expenses	**9,596**	**9,579**
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	9,968	9,103
Between one and five years	37,820	31,876
Total lease expenses	**47,788**	**40,979**

Note 7

Employees and Personnel Expenses

Average Number of Employees

	2014	Of which men, %	2013	Of which men, %
Parent company				
Sweden	26	64	25	58
Total in parent company	**26**	**64**	**25**	**58**
Subsidiaries				
Brazil	1	100	2	100
Denmark	14	71	15	69
Estonia	4	75	4	76
UK	16	82	15	85
Finland	17	76	17	76
France	10	79	11	80
India	1	100	1	100
China	34	62	35	58
Latvia	3	67	3	67
Lithuania	2	100	3	100
Norway	22	84	23	83
Singapore	4	100	5	100
Sweden	233	85	230	85
Taiwan	238	41	231	41
Turkey	13	77	8	75
Germany	55	77	60	75
USA	67	70	88	69
Total in subsidiaries	**734**	**67**	**751**	**67**
Group total	**760**	**67**	**776**	**66**

Division between Sexes, Group Management

	Dec. 31, 2014	Dec. 31, 2013
	Prop. Women	*Prop. Women*
Parent company		
Board	33 %	29 %
Other senior managers	11 %	10 %
Group total		
Board	33 %	29 %
Other senior management	11 %	10 %

Salary, Other Remuneration and Social Security Expenses

SEK 000	2014		2013	
	Salary and remuneration	*Social security expenses*	*Salary and remuneration*	*Social security expenses*
Parent Company	30,245	11,846	19,825	11,139
(of which pension expenses)		*(4,242)*[a]		*(4,016)*[a]
Subsidiaries	259,801	85,850	294,298	84,561
(of which pension expenses)		*(21,996)*		*(22,429)*
Group total	**290,046**	**97,696**	**314,123**	**95,700**
(of which pension expenses)		*(26,238)*[b]		*(26,445)*[b]

a Of parent company pension expenses, 2,025,000 SEK (1,667,000) relates to the Board and CEO.

b Of consolidated pension expenses, 2,025,000 SEK (1,667,000) relates to the Board and CEO.

Remuneration of Senior Managers – Board of Directors

Directors' fees were 1,625,000 SEK (1,250,000), allocated as follows:

SEK	2014	2013
Board of Directors		
Anders Ilstam, Chairman of the Board	500,000	450,000
Bert Åke Eriksson	225,000	200,000
Ulrika Hagdahl	225,000	200,000
Maria Khorsand	225,000	200,000
Bo Elisson	225,000	
Christer Öjdemark	225,000	
Stig-Arne Blom		200,000

No Board members received remuneration for consulting assignments in 2014 (0).

Remuneration and Other Benefits in the Year

Remuneration and benefits to the CEO and senior managers amounted to the following:

SEK 000	2014		2013	
	CEO[b]	*Other Senior Managers*[a]	*CEO*	*Other Senior Managers*[a]
Basic salary	3,510	14,012	3,720	13,007
Performance related pay	175	1,286	372	1,267
Other benefits	142	2,449	141	1,771
Pension expenses	1,298	2,692	1,667	3,012
Total salary and remuneration	**5,125**	**20,439**	**5,900**	**19,057**

a There are 8 (9) other senior managers.

b In addition to the amounts indicated, a redundancy payment of 10,800,000 SEK was charged to accounts in connection with the change of CEO.

Chief Executive Officer

Apart from contracted basic salary, the Chief Executive Officer is also entitled to performance-related pay. Performance-related pay is based on the group's operating profit and is a maximum of six months' salary. Pension and other customary benefits are additional. Each year, 35% of gross salary including bonus is provisioned as pension assurance for the CEO. This pension is defined contribution and becomes payable at age 65. According to agreement, the CEO has a notice period from the company's side of 18 months, that cannot be claimed for termination initiated by the CEO. The notice period from the Chief Executive Officer's side is six months. No other remuneration upon termination has been agreed.

The CEO resigned during the year and the position is held by the group CFO until further notice.

Other Senior Managers

Other senior managers have basic salary with a performance-related component. The performance-related component is based partly on the group's and partly on each business area's operating profit and sales growth. Yearly performance-related pay is a maximum of six months' salary. Other senior managers have defined contribution pension agreements on market terms. Other customary benefits are additional. Maximum notice periods of 12 months for termination from the company's side have been agreed for other senior managers. This is applicable to all apart from one, who has a six-month notice period and nine months' severance pay for termination from the company's side.

Board of Directors' Proposed Guidelines 2015

The Board of Directors proposes that the AGM adopts the following guidelines for remunerating senior managers. Senior managers means group management including the CEO.

Total remuneration covers basic salary and performance-related pay, comprising a yearly and a long-term portion. Pension and other customary benefits are additional. The performance-related component is based on the satisfaction of predetermined targets. These targets relate to the company's profit performance and other important change targets. For the CEO and other senior managers, the annual performance-related component may amount to a maximum of six months' salary, and the long-term performance-related component to a maximum of 20–40% of basic salary.

If the CEO's employment is terminated by Beijer Electronics, the CEO has a 12-month notice period. No other dismissal pay has been agreed. If termination of other senior managers' employment is from the company's side, and the termination is not due to gross negligence, a maximum notice period of 12 months is agreed, apart from one, who has a six-month notice period and nine months' severance pay. Otherwise, there are no differences on the previous year.

Decision-making Process

The Remuneration Committee consults on the Board of Directors' decisions on remuneration to the Chief Executive Officer and decides on remuneration to other senior managers. Directors' fees are resolved by the AGM.

Note 8

Depreciation, Amortization and Impairment of Property, Plant and Equipment and Intangible Assets

SEK 000	2014	2013
Group		
Capitalized development expenditure	-22,549	-22,959
Capitalized expenditure for software	-6,576	-6,433
Customer contracts, brands and similar rights	-16,016	-16,790
Buildings and land	-1,398	-1,236
Machinery and other plant	-2,559	-2,390
Equipment, tools, fixtures and fittings	-15,921	-14,138
	-65,019	**-63,946**
Parent Company		
Capitalized expenditure for software	-6,444	-6,297
Equipment, tools, fixtures and fittings	-403	-553
	-6,847	**-6,850**

Note 9

Net Financial Income/Expense

SEK 000	2014	2013
Group		
Interest income	265	469
Revaluation of additional purchase price	2,601	2,136
Net exchange rate difference		3,385
Financial income	**2,865**	**5,989**
Interest expenses	-17,266	-21,481
Net exchange rate difference	-2,430	
Financial expenses	**-19,696**	**-21,481**
Net financial income/expense	**-16,831**	**-15,492**

	Profit or loss from other securities and receivables that are fixed assets		Interest Income, etc.	
SEK 000	2014	2013	2014	2013
Parent Company				
Interest income, group companies			6,058	7,596
Revaluation, additional purchase price			2,601	
Interest income, other			19	82
Dividend	53,699	66,959		
Exchange rate difference	17,325			822
	71,024	**66,959**	**8,678**	**8,500**

	Profit or loss from other securities and receivables that are fixed assets		Interest Expenses, etc.	
SEK 000	2014	2013	2014	2013
Parent company				
Interest expenses, group companies			-1,011	-1,445
Interest expenses, other			-14,321	-18,990
Write-down of loans, group companies	-5,583			
Exchange rate difference				
	-5,583		**-15,332**	**-20,435**

Note 10

Appropriations

SEK 000	2014	2013
Parent company		
Accumulated depreciation in excess of plan, reversal for the year	2,625	
Tax allocation reserve, reversal in the year	250	3,940
Group contributions, received	8,038	23,956
	10,913	**27,896**

Note 11

Tax on Net Profit

SEK 000	2014	2013
Group		
Current tax		
Tax expense for the period	-42,367	-24,409
Excise duties	-2,450	-2,872
Adjustment of tax attributable to previous year	5,766	-3,466
	-39,051	**-30,747**
Deferred tax (Note 25)		
Occurrence and reversal of temporary differences	6,075	4,925
Deferred tax in the deductible value of loss carry-forwards changed in the year	-1,114	-1,686
	4,961	**3,239**
Total reported tax expense, group	**-34,090**	**-27,508**
Parent company		
Current tax		
Tax expense for the period		
Excise duties	-491	-630
Adjustment of tax attributable to previous year		
	-491	**-630**
Deferred tax (Note 25)		
Occurrence and reversal of temporary differences	2,290	280
Deferred tax in the deductible value of loss carry-forwards changed in the year	-1,464	-1,033
	826	**-753**
Total reported tax expense, parent company	**335**	**-1,383**

Reconciliation of actual tax

SEK 000	2014	2013
Group		
Profit before tax	96,781	71,874
Tax at applicable rate, parent company	-21,292	-15,812
Tax effect of:		
- Other tax rates for foreign subsidiaries	-10,052	-1,932
- Non-deductible expenses	-2,014	-679
- Non-taxable revenues	692	13
- Effects of loss carry-forwards, net	-2,838	-1,686
- Effect of changed tax rate	120	-661
- Tax attributable to previous year	5,766	-3,466
- Excise duties	-2,450	-2,872
- Other	-2,022	-413
Reported tax, Income Statement	**-34,090**	**-27,508**
Parent company		
Profit before tax	44,162	70,001
Tax at applicable rate, parent company	-9,716	-15,400
Tax effect of:		
- Non-deductible expenses	-1,295	-102
- Non-taxable revenues	11,841	14,762
- Tax attributable to previous year		
- Standard-rate interest on tax allocation reserve	-4	-12
- Excise duties	-491	-630
Reported tax, Income Statement	**335**	**-1,383**

Note 12

Intangible Assets

SEK 000	Goodwill	Development Expenditure	IT Expenditure	Trademarks & Brands	Customer Contracts	Technology Platforms	Total
Group							
Opening balance Jan. 1, 2013	432,307	150,209	64,728	91,209	103,989	16,104	858,546
Internally developed assets	9,787				10,950		20,737
Other investments		21,206					21,206
Reclassification			3,176				3,176
Exchange rate differences for the year	-3,917	100		-476	-1,556	-212	-6,061
Closing balance Dec. 31, 2013	**438,177**	**171,515**	**67,904**	**90,734**	**113,383**	**15,892**	**897,605**
Opening balance Jan. 1, 2014	438,177	171,515	67,904	90,734	113,383	15,892	897,605
Internally developed assets		22,306					22,306
Other investments			5,336	819			6,155
Exchange rate differences for the year	42,547			7,010	11,352	2,101	63,010
Closing balance Dec. 31, 2014	**480,724**	**193,821**	**73,240**	**98,563**	**124,735**	**17,993**	**989,076**
Accumulated amortization and impairment							
Opening balance Jan. 1, 2013		-79,044	-18,364	-30,896	-50,634	-6,052	-184,990
Amortization in the year		-22,959	-6,433	-4,163	-11,250	-1,377	-46,182
Exchange rate differences for the year		-100		40	238	62	240
Closing balance Dec. 31, 2013		**-102,103**	**-24,797**	**-35,019**	**-61,646**	**-7,367**	**-230,932**
Opening balance Jan. 1, 2014		-102,103	-24,797	-35,019	-61,646	-7,367	-230,932
Reclassification		-2,098					-2,098
Amortization in the year							
Exchange rate differences for the year				-2,896	-5,999	-846	-9,741
Closing balance Dec. 31, 2014		**-126,750**	**-31,373**	**-42,233**	**-77,900**	**-9,656**	**-287,912**
Carrying amounts							
As of Jan. 1, 2013	432,307	71,165	46,364	60,314	53,355	10,052	673,556
As of Dec. 31, 2013	438,177	69,412	43,107	55,715	51,737	8,525	666,673
As of Jan. 1, 2014	438,177	69,412	43,107	55,715	51,737	8,525	666,673
As of Dec. 31, 2014	480,724	67,071	41,867	56,330	46,835	8,337	701,164

The group reports the following intangible asset classes:

Intangible Asset Class	Useful Life	Amortization Method
Goodwill	Indefinite	Impairment tests
Development expenditure	3–5 years	Straight-line amortization over the asset's useful life based on cost
IT expenditure	3–10 years	Straight-line amortization over the asset's useful life based on cost
Trademarks & brands*	7–20 years	Straight-line amortization over the asset's useful life based on cost
Customer contracts	4–5 years respectively 7–10 years	Straight-line amortization over the asset's useful life based on cost
Technology platforms	5 years	Straight-line amortization over the asset's useful life based on cost

**Trademarks & brands relate to strategic acquisitions and have an estimated useful life of 7–20 years.*

The parent company reports the following intangible asset classes:

Intangible Asset Class	Useful Life	Amortization Method
IT expenditure	3–10 years	Straight-line amortization over the asset's useful life based on cost

IT Expenditure

SEK 000	
Parent company	
Accumulated cost	
Opening balance Jan. 1, 2013	62,402
Other investments	3,014
Reclassification	
Closing balance Dec. 31, 2013	**65,416**
Opening balance Jan. 1, 2014	65,416
Other investments	5,158
Reclassification	
Closing balance Dec. 31, 2014	**70,574**
Accumulated amortization and impairment	
Opening balance Jan. 1, 2013	-16,299
Amortization in the year	-6,297
Reclassification	
Closing balance Dec. 31, 2013	**-22,596**
Opening balance Jan. 1, 2014	-22,596
Amortization in the year	-6,444
Reclassification	
Closing balance Dec. 31, 2014	**-29,040**
Carrying amounts	
As of Jan. 1, 2013	46,103
As of Dec. 31, 2013	42,820
As of Jan. 1, 2014	42,820
As of Dec. 31, 2014	41,534

Impairment Tests for Cash-generating Units Including Goodwill

The following cash-generating units, which are parts of the segments for "IAS" and "IDC" respectively, have significant reported goodwill values in relation to the group's total reported goodwill values:

SEK 000	2014	2013
IAS	213,883	185,801
IDC	266,841	252,376
Total goodwill value in group	**480,724**	**438,177**

The 'IAS' Unit

The impairment test for the 'IAS' unit is based on the calculation of value in use. This value is based on forecast cash flows for a total of 5 years (5 years), of which the first is based on the unit's budget.

The forecast cash flows for a total of 5 years beyond 2014 have been based on yearly growth of revenues of 0–2% (0–5%) and expenses of 0–2% (0–5%). Perpetual growth of revenue and expenses of 2% (2) has been assumed subsequently.

The present value of forecast cash flows has been calculated by applying a discount rate of 13.2% (13.2) before tax. The important assumptions of the forecasts are reviewed in the following table.

Key Variables	Estimation Method
Market share and market growth	Current market share assumed for future periods. Nominal yearly market growth of 2% (2%) assumed.
Costs of materials and gross profit	Cash flow forecasts are based on unchanged percentage gross profit. This assumption is consistent with previous experience and present agreements.
General costs	Forecasts based on average cost inflation of 2% (2).
Rate of exchange NTD/SEK	Rate of exchange forecasts based on present quoted rate of exchange.
Rate of exchange USD/NTD	Rate of exchange forecasts based on present quoted rate of exchange.

The 'IDC' Unit

The impairment test for the 'IDC' unit is based on the calculation of value in use. This value is based on forecast cash flows for a total of 5 years (5), of which the first is based on the unit's budget.

The forecast cash flows for a total of 5 years beyond 2013 have been based on yearly growth of revenues of 0–2% (0–5%) and expenses of 0–2% (0–5%). Perpetual growth of revenue and expenses of 2% (2) has been assumed subsequently.

The present value of forecast cash flows has been calculated by applying a discount rate of 13.2% (13.2) before tax. The important assumptions of the forecasts are reviewed in the following table.

Key Variables	Estimation Method
Market share and market growth	Current market share assumed for future periods. Nominal yearly market growth of 2% (2) assumed.
Costs of materials and gross profit	Cash flow forecasts are based on unchanged percentage gross profit. This assumption is consistent with previous experience and present agreements.
General costs	Forecasts based on average cost inflation of 2% (2).
Rate of exchange EUR/SEK	Rate of exchange forecasts based on present quoted rate of exchange.
Rate of exchange NTD/SEK	Rate of exchange forecasts based on present quoted rate of exchange.
Rate of exchange GBP/SEK	Rate of exchange forecasts based on present quoted rate of exchange.

Sensitivity Analysis for Cash-generating Units Including Goodwill

When analyzing impairment of goodwill, the company conducted a sensitivity analysis for the cash-generating units. The following restatements have been made compared to the information presented above:

	2014	2013
Discount rate	+2%	+2%
Sales growth	-2%	-2%

The sensitivity analyses indicate that there is no impairment given these restatements of computation variables.

Impairment Tests for Cash-generating Units Including Capitalized Development Expenses

The following cash generating units, which are part of the segments for 'IAS' and 'IDC', have significant carrying amounts for capitalized development expenditure. The capitalized development expenditure has a finite useful life. This expenditure is amortized over a period of 3–5 years. The book value of capitalized development expenditure is:

SEK 000	2014	2013
IAS	33,925	38,106
IDC	33,146	31,306
Total value of capitalized development expenditure, group	**67,071**	**69,412**

Sensitivity Analysis for Cash-generating Units Including Capitalized Development Expenses

When analyzing impairment of capitalized development expenses, the company conducted a sensitivity analysis relating to expected sales growth and gross margin of underlying products. The following restatements have been made compared to the base computation:

	2014	2013
Sales growth	-10%	-10%
Gross margin	-10%	-10%

The sensitivity analyses indicate that there is no impairment given these restatements of computation variables.

Note 13

Property, Plant and Equipment

	Group				Parent Company
SEK 000	Buildings and Land	Plant and Machinery	Equipment, Tools, Fixtures and Fittings	Total	Equipment, Tools, Fixtures and Fittings
Cost					
Opening balance Jan. 1, 2013	51,546	15,296	105,471	172,313	9,009
Purchase via business combination		2,114	7,431	9,545	
Other purchase		1,922	14,056	15,978	638
Disposals			-2,569	-2,569	-898
Exchange rate differences	-1,444	-250	-1,685	-3,379	
Closing balance Dec. 31, 2013	**50,102**	**19,082**	**122,704**	**191,888**	**8,749**
Opening balance Jan. 1, 2014	50,102	19,082	122,704	191,888	8,749
Other purchase	116	6,620	10,541	17,277	94
Disposals	-82	-1,016	-3,040	-4,138	-42
Exchange rate differences	2,579	1,924	11,943	16,446	
Closing balance Dec. 31, 2014	**52,715**	**26,610**	**142,148**	**221,473**	**8,801**
Depreciation					
Opening balance Jan. 1, 2013	-19,733	-9,424	-69,130	-98,287	-7,950
Depreciation in the year	-1,236	-2,390	-14,138	-17,764	-553
Disposals			2,353	2,353	803
Exchange rate differences	248	207	522	977	
Closing balance Dec. 31, 2013	**-20,721**	**-11,607**	**-80,393**	**-112,721**	**-7,700**
Opening balance Jan. 1, 2014	-20,721	-11,607	-80,393	-112,721	-7,700
Depreciation in the year	-1,398	-2,559	-15,921	-19,878	-403
Disposals	64	978	2,560	3,602	42
Exchange rate differences	-482	-1,523	-6,829	-8,834	
Closing balance Dec. 31, 2014	**-22,537**	**-14,711**	**-100,583**	**-137,831**	**-8,061**
Carrying amount					
As of Jan. 1, 2013	31,813	5,872	36,341	74,026	1,059
As of Dec. 31, 2013	29,381	7,475	42,311	79,167	1,049
As of Jan. 1, 2014	29,381	7,475	42,311	79,167	1,049
As of Dec. 31, 2014	30,178	11,899	41,565	83,642	740

Of group amounts reported as of December 31, 2014, 11,696,000 SEK (12,520,000) relates to assets via financial leasing contracts.

Note 14

Participations in Group Companies

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Accumulated cost		
At beginning of year	383,385	297,232
Acquired companies		85,494
Incorporated companies		659
Carrying amount at end of year	**383,385**	**383,385**

Specification of parent company and group holdings of participations in group companies

SEK 000			Dec. 31, 2014	Dec. 31, 2013
Subsidiary/Corp. ID No./Reg. Office	*No. of Shares*	*Holding, %* [a]	*Carrying Amount*	*Carrying Amount*
Beijer Electronics Automation AB, 556701-3965, Malmö	**1,000**	**100.0**	**47,758**	**47,758**
Beijer Electronics AS, 912965058, Drammen	1,117	100.0		
Beijer Electronics Oy, 245.223, Helsinki	50	100.0		
Beijer Electronics UAB, 111760799, Vilnius	285	100.0		
Beijer Electronics SIA, 40003540103, Riga	501	100.0		
Beijer Electronics Eesti Oü, 10668940, Tallinn	1	100.0		
Beijer Electronics A/S, 56162712, Roskilde	1,000	100.0		
Brodersen Automation AS, 957004083, Drammen	300	100.0		
Brodersen Automation AB, 556288-8650, Malmö	3,000	100.0		
Beijer electronics Products AB, 556701-4328, Malmö	**1,000**	**100.0**	**100**	**100**
Beijer Electronics Holding Inc., 36-4027234, Chicago	1,000	100.0		
Beijer Electronics Inc., 87-0396688, Salt Lake City	10	100.0		
Beijer Electronics Holding GmbH, 22383, Unterensingen	1	100.0		
Beijer Electronics Verwaltungs GmbH, HRB 22383 Unterensingen	1	100.0		
Beijer Electronics GmbH & Co. KG, HRA 222129, Unterensingen	1	100.0		
Beijer Electronics Trading (Shanghai) Co, Ltd, Shanghai	1	100.0		
Beijer Electronics Corp., 05027350, Taipei	116,534	100.0		
Westermo teleindustri AB, 556361-2604, Stora Sundby	**100,000**	**100.0**	**212,792**	**212,792**
Westermo Data Communications AB, 556687-8962, Västerås	1,000	100.0		
Westermo Research and Development AB, 556710-8856, Västerås	1,000	100.0		
Westermo Fastighets AB, 556288-4360, Eskilstuna	10,000	100.0		
Westermo OnTime AS, 981567560, Oslo	2,353,724	100.0		
Westermo Data Communications Ltd., 3059742, Southampton	50,000	100.0		
Westermo Data Communications GmbH, 30070-54742, Waghäusel	50,000	100.0		
Westermo Data Communications SARL, 4333142590001, Champlan	7,624	100.0		
Westermo Data Communications Pte Ltd., 200707554, Singapore	1	100.0		
Korenix Technology Co., Ltd, Taipei [b]	18,467,000	100.0	100,903	100,903
Smart Jumbo Investment Ltd, Samoa	300,000	100.0		
Korenix Technology Ltd, Shenzhen	2,000,000	100.0		
Korenix Technology Ltd, Samoa	1	100.0		
Huei Chun Electronics Co, Taipei	500,000	100.0		
Lanshan Co., Ltd, Taiwan	2,300,000	50.5		
Beijer Electronics do Brasil LTDA, 14.199.311/0001-36, Sao Paolo [c]	52,492	100.0	202	202
Beijer Electronics India Private Ltd, U31103PN2012FTC144166, Pune [d]	300,000	100.0	659	659
Beijer Elektronik ve Tic. A.Ş, 556233, Istanbul	1,527	90.0	20,971	20,971
			383,385	**383,385**

a Equity as a percentage of capital, corresponding to the share of the votes for the total number of shares.

b Of the group's total holdings, 52.5% is held by Beijer Electronics AB.

c Of the group's total holdings, 99.0% is held by Beijer Electronics AB.

d Of the group's total holdings, 99.9% is held by Beijer Electronics AB.

Note 15

Participations in Associated Companies

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Carrying amount at beginning of year	73,585	
Purchase		73,585
Carrying amount at end of year	**73,585**	**73,585**

Company, Reg. Office

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Carrying amount		
HCA Participações S.A., Sao Leopoldo, Brazil	73,585	73,585

In 2013, Beijer Electronics AB acquired 24.79% of the shares of HCA Participações S.A, a holding company that owns 60% of the shares of Altus Sistemas de Automatição S.A. Altus develops and manufactures high-technology control systems.

Note 16

Long-term Receivables from Group Companies

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Parent company		
Accumulated cost		
At beginning of year	339,908	324,673
Additional receivables	9,024	25,264
Amortization for the year	-73,823	-11,052
Currency differences for the year	24,937	1,023
Carrying amount at end of period	**300,046**	**339,908**

The fair value of loans to related parties is measured at cost, and in those cases where denominated in foreign currency, at the closing day rate. The effective interest of long-term receivables to related parties is 0.48–5.00% (0.60–5.00).

Note 17

Other Long-term Receivables

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Accumulated cost		
At beginning of year	2,072	1,395
Additional receivables	937	1,541
Amortization/reclassification for the year	-336	-854
Exchange rate differences for the year	1,299	-10
Carrying amount at end of period	**3,972**	**2,072**

As all long-term receivables are essentially subject to variable interest rates and the effect of discounting is marginal, fair value is judged to largely correspond to book value.

Note 18

Inventories

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Raw materials and consumables	90,462	103,340
Finished goods and goods for resale	90,735	95,365
Work in progress	6,523	11,906
Advance payments to suppliers	74	5
Goods in transit	1,799	1,571
	189,593	**212,187**

Note 19

Accounts Receivable and Other Current Receivables

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Accounts receivable	209,854	201,616
Provision for doubtful debt	-3,196	-3,142
Accounts receivable – net	**206,658**	**198,474**
Other receivables	20,305	14,055
Prepaid expenses and accrued Income	17,610	17,645
	244,573	**230,174**

The fair value of accounts receivable and other receivables is consistent with book value.

Accounts receivable are judged individually when each financial report is being prepared. Net profit has been charged with expenses for doubtful and bad debt of 212,000 SEK (952,000). The individually judged receivables subject to impairment mainly relate to customers that have got into unexpected financial difficulties. A judgment that a portion of the receivables is expected to be recoverable has been made. The cost of doubtful and bad debt is included in the other expenses income statement item. The maximum exposure to credit risk on the reporting date is the fair value of each category of receivable stated above. The group has no assets pledged as collateral.

SEK 000	Dec. 31, 2014	Dec. 31, 2013
EUR	61,574	44,591
USD	57,764	61,134
NOK	11,085	9,491
DKK	9,800	9,782
NTD	17,042	21,642
GBP	11,828	12,450
SEK	52,507	53,514
Other currencies	22,973	17,570
	244,573	**230,174**

Prepaid Expenses and Accrued Income

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Rents	4,026	4,584
Insurance	1,004	1,157
Lease payments	1,364	923
Bank charges	743	575
IT charges	454	2,018
Other items	10,019	8,388
	17,610	**17,645**
Parent Company		
Rents	2,520	2,457
Insurance	538	566
Lease payments	118	334
Bank charges	743	575
IT charges	454	983
Other items	534	605
	4,907	**5,520**

Note 20

Earnings per Share

SEK 000	2014	2013
Net profit	61,725	44,219
Number of outstanding shares	19,068	19,068
Earnings per share, SEK	**3.24**	**2.32**
Dividends paid per share, SEK[a]	**1.25**	**1.25**

a Proposed dividend for 2014 is 1.25 SEK.

Note 21

Untaxed Reserves

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Parent company		
Accumulated depreciation over plan		
Equipment		2,625
Tax allocation reserves		
Provision for taxation 2009		250
Provision for taxation 2010	1,050	1,050
	1,050	**3,925**

Note 22

Interest-bearing Liabilities

This Note contains information about the company's contractual terms relating to interest-bearing liabilities. For more information on the company's exposure to interest risk and the risk of exchange rate fluctuations, see Note 28.

Book value is judged to be a good approximation of fair value. Bank borrowing is renegotiated every three months. Provisions for pensions and finance lease liabilities have been discounted at an adequate market interest rate for the applicable term. Other interest-bearing liabilities, short-term, mature for payment on January 2, 2015.

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Long-term liabilities		
Pension provisions	90,989	71,532
Bank loans	340,000	380,456
Finance lease liabilities	7,345	8,725
Other interest-bearing liabilities	272	14,532
	438,606	**475,245**
Current liabilities		
Overdraft facility	157,422	153,799
Short-term portion of bank loans	40,019	60,039
Short-term portion of finance lease liabilities	5,241	4,384
Other interest-bearing liabilities	14,309	14,309
	216,991	**232,531**

Finance Lease Liabilities

Finance lease liabilities become due for payment as follows:

SEK 000	Minimum Lease Payments	Interest	Principal
Group 2014			
Within one year	4,120	369	3,750
Between one and five years	4,214	277	3,937
	8,334	**646**	**7,688**
Group 2013			
Within one year	3,771	450	3,321
Between one and five years	5,540	400	5,140
	9,311	**850**	**8,461**

The agreements that are the basis of finance lease liabilities consist of vehicle leases, leasing of server centers, and leases of various items of office furniture.

Credit Terms

The company's bank borrowings are subject to covenants in the form of two financial key ratios.

Total Leverage

Total leverage is defined as interest-bearing liabilities less cash and cash equivalents in relation to operating profit before depreciation and amortization. The total leverage may not exceed 3.25.

Interest Coverage Ratio

Interest coverage ratio is defined as operating profit before depreciation and amortization in relation to net interest income/expense (interest expenses less interest income). The interest coverage ratio may not be less than 3.50.

Each quarter, the company reports the quantitative outcome of both covenants to its lenders. The computations are based on financial information as stated in quarterly reports. Due to the altered accounting principle for pension liabilities that became effective on January 1, 2013, which resulted in an increased pension liability being reported, the company has agreed with its lenders that the closing pension liability as of December 31, 2012 prior to the change of principle should be used as the portion of interest-bearing liabilities for computing total leverage. This value is 42,708,000 SEK.

Note 23

Liabilities to Credit Institutions

SEK 000	2014	2013
Parent Company		
Long-term liabilities		
Bank loans	340,000	380,456
	340,000	**380,456**
Current liabilities		
Overdraft facility	156,482	153,799
Short-term portion of bank loans	40,000	60,039
	196,482	**213,838**

Note 24

Pension Provisions, etc.

Defined-benefit Obligations

SEK 000	2014	2013
Group		
Defined-benefit obligations		
Present value of funded obligations	19,671	17,601
Fair value of plan assets	-14,565	-12,327
Deficit in funded plans	**5,106**	**5,274**
Present value of unfunded plans	85,883	66,258
Net amount in Balance Sheet	**90,989**	**71,532**
The net amount is divided between plans in the following countries:		
Sweden	84,827	65,718
Taiwan	6,162	5,814
Net Amount in Balance Sheet	**90,989**	**71,532**

Pension Expense

SEK 000	2014	2013
Defined-benefit plans		
Expense for pensions accrued in the year	3,696	3,663
Return on plan assets	-221	
Interest expense	3,055	2,720
Net profit/loss item, actuarial gain/loss		
Expense for defined-benefit plans	**6,530**	**6,229**
Expense for defined-contribution plans	19,708	20,061
Payroll tax and tax on profits	3,140	3,531
Total expense, defined-contribution plans	**22,848**	**23,592**
Total expense for remuneration after terminated employment	**29,378**	**29,976**

Reconciliation of Net Amounts for Pensions in the Balance Sheet

The following table illustrates how the net amount in the Balance Sheet changed in the period:

SEK 000	2014	2013
Amount at beginning of year	71,532	74,301
Expense for defined-benefit plans	6,530	6,384
Contributions from employees	-1,260	-1,037
Disbursement of benefits	-636	-375
Actuarial revaluation, demographic assumptions	-331	589
Actuarial revaluation, financial assumptions	14,419	-8,392
Translation difference	734	62
Amount at the end of year	**90,989**	**71,532**

Actuarial Assumptions

The following significant actuarial assumptions were applied when calculating commitments (weighted averages):

SEK 000	2014	2013
Discount rate, %	3.14	3.81
Future salary increases, %	3.50	3.50
Future pension increases, %	2.00	2.00
Staff turnover, %	6.34	6.49
Expected remaining term of employment, yr.	23.22	22.62
Group		
Assets pledged for pension obligations	None	None
Parent Company		
Assets pledged for pension obligations	None	None

For more information on the method of setting the discount rate, see Note 1, section (o) Employee Benefits, section (ii) Defined-benefit Plans. A sensitivity analysis of the effect of the discount rate on the scale of defined-benefit obligations is reported in the sensitivity analysis section below.

Sensitivity Analysis

The value of defined-benefit obligations consists of the present value of expected future pension disbursements. Accordingly, measurements of the defined-benefit obligations are materially dependent on the applied discount rate in the computation of present value. Adjustments of the discount rates are a result of changing actuarial assumptions, and accordingly, the effects of these restatements are reported in actuarial gain or loss.

The effect of restatements of adjusted assumptions rate on the present value of commitments as of December 31, 2014 is stated below.

Adjusted discount rate (percentage point)	-0.50%	+0.50%
Present value of commitment (+ increase / - decrease)	11,724	-9,985
Adjusted salary growth (percentage points)	-0.50%	+0.50%
Present value of commitment (+ increase / - decrease)	-4,049	4,708
Adjusted inflation expectations (percentage points)	-0.50%	+0.50%
Present value of commitment (+ increase / - decrease)	-7,268	8,280
Adjusted term (years)	-1 year	+1 year
Present value of commitment (+ increase / - decrease)	-2,986	2,973

Estimate for the coming financial year

SEK 000	2015
Defined-benefit obligations	
Expense for pensions accrued in the year	4,228
Return on plan assets	-247
Interest expense	3,187
Total	**7,168**

Regarding the coming financial year's income statement item of actuarial profit/loss, the company does not wish to present any quantified estimate, because this amount is materially dependent on the value of the discount rate, which in turn, is dependent on macroeconomic factors. The company refers the reader to the section on the sensitivity analysis and progress of the discount rate in this section on actuarial assumptions in order for the reader to obtain a view of possible progress. Given currently available information, the company does not judge that any material changes to the discount rate will occur for the coming year.

Defined Contribution Plans

The company judges that the expense for defined contribution plans will be at a level that is comparable with recent years.

Note 25

Deferred Tax

SEK 000	Deferred Tax Asset	Deferred Tax Liability	Net
Group Dec. 31, 2014			
Intangible assets	2,861	3,482	-621
Buildings and land		39,681	-39,681
Inventories	6,827	365	6,462
Pension provisions	12,905		12,905
Untaxed reserves		9,892	-9,892
Other provisions	2,482		2,482
Loss carry-forwards	4,719		4,719
Other	2,605	714	1,891
Deferred tax liability, net	**32,399**	**54,134**	**-21,735**

SEK 000	Deferred Tax Asset	Deferred Tax Liability	Net
Group Dec. 31, 2013			
Intangible assets	2,861	1,686	1,175
Buildings and land		42,250	-42,250
Inventories	7,181		7,181
Pension provisions	9,224		9,224
Untaxed reserves		12,311	-12,311
Other provisions			
Loss carry-forwards	6,142		6,142
Other	3,958	480	3,478
Deferred tax liability, net	**29,366**	**56,727**	**-27,361**

SEK 000	Amount at Beginning of Year	Recognized in Income Statement	Reclassification	Posted to Other Comprehensive Income	Exchange Rate Differences	Amount at End of Year
Koncernen						
Property, plant and equipment	1,175	-2,105	309			-621
Intangible assets	-42,250	3,267	2,300		-2,998	-39,681
Inventories	7,181	-961			242	6,462
Pension provisions	9,224	-67		3,748		12,905
Untaxed reserves	-12,311	2,419				-9,892
Other provisions		2,482				2,482
Loss carry-forwards	6,142	-1,114	-309			4,719
Other	3,478	1,040	-2,300		-327	1,891
	-27,361	**4,961**		**3,748**	**-3,083**	**-21,735**

Of the group's deferred tax receivables, 4.5 MSEK is expected to be settled in 2015 and of the group's deferred tax liabilities 4.7 MSEK is expected to be settled in 2015.

Note 26

Other Provisions

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Opening balance	7,373	2,577
Recognized in Income Statement:		
– additional provisions	3,484	6,409
– reversed unutilized amounts	-188	-113
Utilized in year	-3,444	-1,514
Reclassification		
Exchange rate differences	560	14
Closing balance	**7,785**	**7,373**

Of the closing balance for the year, 6,056,000 SEK (5,274,000) relates to guarantee provisions.

Note 27

Accrued Expenses and Deferred Income

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Accrued salaries and vacation pay	65,020	41,692
Accrued social security expenses	33,753	22,977
Accrued interest	1,042	886
Other items	15,734	27,041
	115,548	**92,596**
Parent company		
Accrued salaries and vacation pay	9,253	3,628
Accrued social security expenses	7,281	3,639
Accrued interest	1,042	886
Other items	1,752	2,059
	19,328	**10,212**

Note 28

Financial Risks and Finance Policies

Net Debt

Net debt and equity as of December 31, 2014 and 2013 respectively were as follows:

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Interest-bearing liabilities	655,597	707,776
Less: cash and cash equivalents	-156,842	-147,926
Net debt	498,755	559,850
Total equity	**502,887**	**396,163**

Loan, Interest and Maturity Structure

The following table illustrates the maturity structure of financial loan liabilities and the interest renegotiation points on the reporting date.

SEK 000	Interest Rate, %	Interest Fixing Period	Remaining Duration, Interest Fixing Period	Currency	Nominal Amount in Original Currency
Bank loans:					
Bank loan	1.77	90 days	89 days	SEK	80,000
Bank loan	1.77	90 days	57 days	SEK	120,000
Bank loan	1.76	90 days	77 days	SEK	45,000
Bank loan	1.77	90 days	74 days	SEK	75,000
Bank loan	1.77	90 days	69 days	SEK	60,000
Overdraft facility[a]	0.75–2.07	90 days		SEK/EUR/USD/NOK/GBP	157,422

a The overdraft facility has contracted interest of 0.30% on credit granted.
b The maturity date of the bank loans is October 26, 2015

Transaction Exposure

The group's transaction exposure is divided between the following currencies:

SEK 000	Amount	%
Group 2014		
NOK	98,016	16.6
DKK	52,739	8.9
EUR	246,774	41.7
GBP	50,142	8.5
USD	98,911	16.7
Other currencies	45,466	7.7
	592,048	**100**

Translation Exposure

Foreign net assets of the group are divided between the following currencies:

Currency/Amount, 000	Foreign Currency	Swedish Currency	%
Group 2014			
NTD	1,108,430	273,228	40.48
EUR	7,867	74,856	11.09
NOK	10,138	10,661	1.58
DKK	18,467	23,603	3.5
USD	26,758	209,023	30.97
GBP	1,786	21,675	3.21
CNY	23,525	29,630	4.39
Other currencies		32,217	4.77
		674,893	**100**

Note 28 cont.
Financial Risks and Finance Policies

Finance Policy

Through its operations, the group is exposed to various types of financial risk. Financial risks means fluctuations in the company's profits and cash flow ensuing from variations in rates of exchange, interest levels and credit risks. The Board of Directors decides on currency hedging and additional new long-term funding.

Interest Risks

Beijer Electronics' net financial income/expense and profit or loss are affected by fluctuations in interest rates. The group's average interest fixing period is some 90 days. Interest rates at year-end vary between 0.75 and 1.77% (0.85–3.34%). The average interest factor for the year is approximately 2.2%. An interest rate fluctuation of 1% would affect consolidated profit before tax by some 5.5 MSEK (6.0).

Credit Risks

Group cash and cash equivalents are divided between the parent company and its subsidiaries, with no single entity holding more than 13% of group total cash and cash equivalents. The group's policy is to invest cash and cash equivalents in regionally reputable and leading banks with a high credit rating.

The group is exposed to credit risks in accounts receivable. The group's customers are subject to credit checks involving the collection of information on the customers' financial position from various credit agencies. The group has prepared a Credit Policy for managing customer credit, which continuously monitors customers' progress and solvency.

Advance payments, bank guarantees or other collateral are necessary for customers with low credit ratings or insufficient credit history. In the group, accounts receivable more than 120 days overdue are generally 100% provisioned. However, consideration should be taken to the incidence of credit insurance, etc. Additionally, individual assessments are made where necessary. The cost of doubtful and bad debt in 2014 was 0.2 MSEK (1.0), or 0.02% (0.07) of group sales.

Currency Risks

The group operates internationally and is exposed to various types of currency risk. The primary exposure relates to purchases and sales in foreign currencies, where the risk may be in fluctuations in the currency of the financial instrument, customer's or supplier's invoice, and the currency risk in expected or contracted payment flows, termed transaction exposure. Currency fluctuations also occur in the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency (translation exposure). In the financial year, the group did not apply currency hedging to its payment flows or exposure in foreign subsidiaries, in accordance with the group's policy.

The largest purchase currencies for Beijer Electronics are the EUR, USD and SEK. The largest invoicing currencies are EUR, SEK, USD and NOK. The group has a high degree of flow matching of its currency exposure, implying relatively low value at risk (theoretical risk value). The policy is for the group subsidiaries to manage their currency risk by controlling revenues and expenses against functional currency, and allow the parent company to conduct netting of various currencies.

The parent company evaluates its net exposure to each purchasing and sales currency on an ongoing basis with the aim of judging the effect on consolidated profit. A 10% depreciation/appreciation of the Swedish krona against a basket of the most important currencies would increase/decrease sales by some 101 MSEK and operating profit by some 5–6 MSEK, given year-2014 levels and mix of sales and earnings, of which the effect on operating profit for EUR is 2.8 MSEK, for USD 1.9 MSEK and for NOK 0.6 MSEK. 82% (81) of group sales are in foreign currency.

The group has significant net assets denominated in NTD and USD. A 10% depreciation/appreciation in the value of the SEK against NTD and USD respectively is judged to increase/decrease equity by 27 MSEK and 21 MSEK respectively.

Liquidity Risks

Beijer Electronics has loans that become due for payment at different times. An overdraft facility represents a portion of these loans, which has a contracted one-year term, but can be renewed for 12 months at the end of its term without renewed evaluation. The group's acquisition finance has been aggregated in single acquisition funding facilities with variable interest and straight-line amortization. The group is within the limits of the terms of credit issued by lenders as guarantees for credit issuance.

As of December 11, 2014, Beijer Electronics entered into a binding offer regarding a new bank agreement. The new agreement is expected to be finalized in April 2015 with a term of three years with the option of extending the agreement for one year.

Capital Risk

Significant improvement were made to stocks in 2014, and despite increased sales stocks have reduced by over 10%. The group's geographical spread and ongoing end-of-life considerations makes it problematic to reduce stocks much below present levels. Capital tied up remains a high priority area for the group management. The company uses an equity ratio measure to maintain an efficient relationship between its equity and borrowings. The group's target for its capital structure is to ensure the group can continue its operations, so it can continue to generate returns for shareholders, benefit other stakeholders and maintain an optimal capital structure to limit the cost of capital. To maintain or adjust its capital structure, the group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities. There are no financial capital risks because the company does not have a financial trading mandate, but works with operating capital exclusively.

Note 29

Pledged Assets and Contingent Liabilities and Contingent Assets

	Group		Parent Company	
SEK 000	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Pledged Assets	**None**	**None**	**None**	**None**
Contingent Liabilities				
Guarantee commitments, FPG/PRI	962	874	88	76
Guarantee commitments in favor of subsidiaries			34,092	28,058
Other				
Total contingent liabilities	**962**	**874**	**34,180**	**28,134**

Note 30

Related Parties

The parent company has related party transactions with its subsidiaries (see Note 14). For transactions with the CEO, Board members and senior managers, see Note 7.

Summary of transactions with related parties

Related Party Relationship	Year	Sales of Services to Related Party	Purchases of Services from Related Party	Receivable from Related Party as of December 31	Liability to Related Party as of December 31
Subsidiaries	2014	61,295	0	326,121	115,034
Subsidiaries	2013	60,701	631	380,886	125,112

Transactions with related parties are priced on an arm's length basis.

Note 31

Cash Flow

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Cash and cash equivalents – group		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	156,842	147,926
Total, Balance Sheet	**156,842**	**147,926**
Total, Cash Flow Statement	**156,842**	**147,926**
Cash and cash equivalents – parent company		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	6,591	11,958
Total, Balance Sheet	**6,591**	**11,958**
Total, Cash Flow Statement	**6,591**	**11,958**

Interest paid and dividend received

	Group		**Parent Company**	
SEK 000	2014	2013	2014	2013
Dividend received			53,699	66,959
Interest received	253	469	5,747	4,126
Interest paid	-17,529	-20,929	-14,845	-19,883
	-17,276	**-20,460**	**44,601**	**51,202**

Adjustments for items not included in cash flow

	Group		**Parent Company**	
SEK 000	2014	2013	2014	2013
Depreciation, amortization and impairment	65,020	63,946	6,847	6,850
Pension provisions	5,742	5,054		
Other provisions	412	3,966		
Net translation differences	-2,465	-3,171		
Other	-4,404	-274		437
	64,305	**69,521**	**6,847**	**7,287**

Unutilized credit facilities

	Group		**Parent Company**	
SEK 000	2014	2013	2014	2013
Unutilized credit facilities amount to	42,578	46,201	42,578	46,201

Note 32

Other Liabilities

SEK 000	Dec. 31, 2014	Dec. 31, 2013
Group		
Other long-term liabilities		
Present value, additional purchase price	3,906	19,730
Other long-term liabilities	7,617	8,947
	11,523	**28,677**
Other current liabilities		
Present value, additional purchase price	15,225	14,309
Other current liabilities	25,353	26,171
	40,578	**40,480**

The reported additional purchase price for 2014 and 2013 relate to the acquisition of Petek Teknoloji (now Beijer Elektronik ve Tic. A.Ş) and the acquisition of a minority holding of 15% of the shares in Beijer Electronics Automation AB, both transactions completed in 2013.

The additional purchase price in the acquisition of Petek Teknoloji is performance-based and the valuation has been carried out on the basis of the group management's best assessment of the final outcome. The final outcome of the additional purchase price is set to vary between 0 and 8,845,000 SEK and is dependent on the company's sales and operating profit in 2015. Payment of the additional purchase price will be made in February 2016.

Note 33

Subsequent Events

There have been no significant events in the period between year-end and the signing of these Annual Accounts.

Note 34

Parent Company

Beijer Electronics AB is a Swedish-registered limited company with its registered office in Malmö. The parent company's shares are quoted on the NASDAQ OMX Nordic Stockholm Small Cap List. The address of the head office is: Box 426, 201 24 Malmö, Sweden.

The Consolidated Accounts for 2014 include the parent company and its subsidiaries, collectively termed the group. The group also includes participations in associated companies.

Corporate Governance Report 2014

Beijer Electronics AB is a Swedish public limited company quoted on NASDAQ OMX Nordic Exchange Stockholm Small Cap List, with ticker BELE. Beijer Electronics applies the Swedish Code of Corporate Governance. The complete version of the Code is available at www.bolagsstyrning.se.

The Corporate Governance Report for the financial year 2014 has been prepared in accordance with the Code's recommendations, and Beijer Electronics is not reporting any instances of non-compliance with the Code for 2014. The company's Auditors have performed a statutory review of the Corporate Governance Report.

Shareholders and Articles of Association

There were 3,379 (3,488) shareholders at the end of the year. The largest shareholder is Stena Sessan Rederi AB with 29.8% of the votes. Of total share capital at year-end, some 12% (15) was held by foreign investors. Share capital is 6,355,862 SEK divided between 19,067,586 shares. Share capital shall be a minimum of 2,000,000 SEK and a maximum of 8,000,000 SEK. Each share has a quotient value of approximately 0.33 SEK. All shares have one vote and equal entitlement to the company's assets and profits. For more information on the share and shareholders, see pages 74–75. Information on shareholders is updated semi-annually and is also available at the group's website, www.beijerelectronics.se.

Beijer Electronics' Articles of Association have no special stipulations regarding the appointment or dismissal of Board members or amendments to the Articles of Association. For such resolutions at shareholders' meetings, the majority requirements stated in the Swedish Annual Accounts Act apply.

AGM 2014

Beijer Electronics' AGM was held on April 23, 2014. 82 shareholders attended the Meeting personally or by proxy, representing some 64% of the votes. Chairman of the Board Anders Ilstam was elected Chairman of the Meeting. All ordinary Board members and the company's Auditors attended the Meeting.

Chairman of the Board Anders Ilstam reported on the work of the Board of the Directors in the financial year 2013. In his presentation, Beijer Electronics' CEO and President Fredrik Jönsson reviewed operations in 2013 and progress in the first quarter of 2014. The Auditors reported their observations of the company's accounting records and administration to the Meeting, and reviewed their work over the past year. The minutes of the Meeting are available from Beijer Electronics and have been published on the company's website.

Some of the resolutions of the meeting follow:

- To pay 1.25 SEK per share as dividend for the financial year 2013, in accordance with the Board of Directors' proposal.
- The Board of Directors shall consist of seven (7) members with no deputies.
- To re-elect the Board members Bert-Åke Eriksson, Ulrika Hagdahl, Anders Ilstam, Maria Khorsand, Bo Elisson, Christer Öjdemark and Fredrik Jönsson in accordance with the Nomination Committee's proposal.
- To re-elect Anders Ilstam as Chairman of the Board in accordance with the Nomination Committee's proposal.
- That fees to the Chairman of the Board and other Board members are 1,625,000 SEK.
- To adopt procedures for appointment and work of the Nomination Committee.
- To adopt the Board of Directors' proposed guidelines for remunerating senior managers.
- To authorize the Board of Directors to decide to increase the company's share capital by a maximum of 635,334 SEK through the new issue of a maximum of 1,906,002 shares on one or more occasions in the period until the next AGM.

The Nomination Committee for the AGM 2015

The Nomination Committee was presented on September 29, 2014 and has five members, with one representative of each of the four largest shareholders at the time of publication (holdings on the last business day of August 2014), and the Chairman of the Board. Martin Svalstedt, representing Stena Sessan Rederi AB, leads the work of the Nomination Committee. The Nomination Committee's duty is to prepare proposals for Board members, the Chairman of the Board, fees to Board members and Auditors, and Chairman of the next AGM. The Nomination Committee remains in place until a new Committee is appointed. The Nomination Committee held one meeting where minutes were taken. A number of informal telephone and email discussions were also held. In addition, all Board members have been interviewed by the Nomination Committee.

Name	Owner's Representative Of	Share of Votes Aug. 29, 2014
Martin Svalstedt	Stena Sessan	29.79%
Claes Murander	Lannebo Fonder	11.12%
Per Trygg	SEB Fonder (SEB Asset Management + SEB Investment Management)	13.87% (7.44% + 6.43%)
Arne Lööw	Fjärde AP-fonden	5.78%
Anders Ilstam, Chairman of the Board		
Total		**60.56%**

In its work on appointing the Board for the forthcoming term of office, the Nomination Committee appraised the work of the Board. The Nomination Committee judges that members are highly committed, their attendance was high and that the members of the Board represent broad competence, with thorough industrial and financial knowledge, as well as knowledge of international circumstances and markets.

When preparing its proposal for the Board of Directors, the Nomination Committee especially considered the requirements set by the company's strategic development, international operations, governance, control and monitoring for the Board's competence and composition. The Board of Directors' requirements for versatility and breadth in terms of competence, experience and background, and the Board of Directors' ongoing need for regeneration was also considered. The Nomination Committee's proposal for the Board of Directors to the AGM was presented on January 19, 2015. The Nomination Committee is proposing that Maria Khorsand, Ulrika Hagdahl, Bo Elisson, Christer Öjdemark and Anders Ilstam are re-elected as Board members. As Bert Åke Eriksson declined re-election, the Nomination Committee proposes that Johan Wester takes his place. The Nomination Committee is also proposing that current Chairman Anders Ilstam remains as Chairman of the Board.

The Nomination Committee judges that the proposed Board of Directors has an expedient composition in terms of the company's operations, development work and other circumstances to be able to address the needs the company's operations will set.

The rules stipulating independence of Board members in accordance with the Swedish Code of Corporate Governance have been observed. According to the Nomination Committee, all proposed Board members, apart from Johan Wester, are not affiliated to Beijer Electronics' major shareholders. All Board members are not affiliated to Beijer Electronics.

The Board of Directors

The Board of Directors has the ultimate responsibility for the company's organization and administration and reaches decisions on strategic matters. In the financial year 2014, Beijer Electronics AB's Board of Directors had seven members appointed by the AGM.

Beijer Electronics has not set any specific age limit for Board members, nor any time limit for how long a Board member can serve on the Board of Directors. For detailed information on Board members, see the group's website and page 69.

The Role of the Chairman of the Board

Apart from leading the Board of Directors' work, the Chairman of the Board of Beijer Electronics AB continuously monitors progress by maintaining ongoing contact with the Chief Executive Officer on strategic matters. The Chairman of the Board represents the group on ownership-related matters.

The Board of Directors' Working Methods

The Board of Directors' work conforms to a yearly plan. Decisions are taken by the Board after an open discussion led by the Chairman. The Chief Financial Officer of Beijer Electronics AB, also Compliance Officer for the Code of Corporate Governance, serves as Secretary of the Board of Directors. Apart from the Board meeting following election, which is held coincident with the AGM, the Board normally meets five times per year (scheduled meetings). Extra meetings are convened when necessary. The Board of Directors' and Chief Executive Officer's rules of procedure are adopted yearly at the Board meeting following election. Each meeting follows an agenda, with supporting documentation provided to Board members in good time before each Board meeting.

The Annual Accounts, proposed appropriation of profits and the financial statement are considered each financial year in the first scheduled Board meeting of the financial year. Coincident with this process, the company's Auditors submit a report to the Audit Committee regarding the Auditors' observations and judgments of the audit conducted. The Chief Executive Officer is assigned to submit Interim Reports approved by the Board of Directors at scheduled meetings later in the financial year. Each scheduled meeting also includes several other matters on its agenda, including a report on the current results of operations.

The Board of Directors appraises its own work and that of the Chief Executive Officer on an ongoing basis. Previously, a formal appraisal was conducted at the October Board meeting, led by the Chairman of the Board. This year, as in 2013, a decision was taken to delegate conducting in-depth interviews with all members to the Nomination Committee instead.

Work of the Board in 2014

In the financial year 2014, the Board of Directors held nine (9) Board meetings in addition to the Board meeting following election. Extensive contact was maintained between the company, the Chairman of the Board and other members between Board meetings. The company's Auditors attended the first Board meeting of the year, reporting their observations on the group's internal controls and financial statement. The Auditors met the Board of Directors' Audit Committee on one other occasion.

Remuneration Committee

The Remuneration Committee is appointed yearly by the Board of Directors. The Remuneration Committee consults on the Board of Directors. The Remuneration Committee consults on the Board of Directors' decisions on remuneration of the Chief Executive Officer, decides on remuneration to other senior managers and consults on proposals for potential incentive plans. The Remuneration Committee collects decision support data and views from other Board members, the CEO and CFO. The Committee also collects comparative decision support data externally. In 2014, the members of the Remuneration Committee were Anders Ilstam and Bert Åke Eriksson. In the financial year 2014, the Remuneration Committee held two (2) meetings where minutes were taken. No special remuneration for Committee work was paid. Guidelines for remunerating senior managers for the financial year 2015 will be approved at the AGM in April.

Audit Committee

All Board members serve on the Audit Committee apart from the Chief Executive Officer. The Chairman of the Board is also Chairman of the Audit Committee. No special remuneration for committee work was paid. The duty of the Committee is to analyze and discuss the company's risk management, controlling and internal controls, and financial reporting. The Committee maintained contact with the company's Auditors to discuss matters including the orientation and scope of audit work. The Audit Committee has adopted guidelines for other services apart from auditing the company can purchase from the company's auditors. The complete guidelines are available at the company's website.

Remuneration to the Board and Management in 2014

In 2014 the Chief Executive Officer of the parent company, also President of the group, and other senior managers drew basic salary and other benefits that are reported in Note 7, page 44–45. In the table, other senior managers mean the nine people that made up group management in 2014 alongside the Chief Executive Officer.

Remuneration to the CEO

Apart from contracted basic salary, the Chief Executive Officer is also entitled to performance-related pay. Performance-related pay is based on the group's operating profit and is a maximum of six months' salary. Pension and other customary benefits are additional.

Each year, 35% of gross salary including bonus is provisioned as pension assurance for the CEO. This pension is defined contribution and becomes payable at age 65. According to agreement, the CEO has a notice period from the company's side of 18 months, which cannot be claimed for termination initiated by the CEO. The notice period from the Chief Executive Officer's side is six months. No other remuneration upon termination has been agreed. The above information indicates the terms that applied to the company's former CEO, Fredrik Jönsson. Fredrik Jönsson resigned in September 2014, and in accordance with the terms of his employment contract, the company has provisioned an amount corresponding to 18 months' salary and benefits.

Remuneration to Other Senior Managers

Other senior managers have basic salary with a performance-related component. The performance-related component is based partly on the group's and partly on each business area's operating profit and sales growth. Yearly performance-related pay is a maximum of six months' salary. Other senior managers have defined contribution pension agreements on market terms. Other customary benefits are additional. Maximum notice periods of 12 months for termination from the company's side have been agreed for other senior managers. This applies to all apart from one, who has a six month notice period and nine months' severance pay on termination from the company's side.

Incentive Plans

The purpose of incentive plans is to promote senior management's commitment to the group's progress and thus increase value for the group's shareholders. In recent years, the group offered senior managers the opportunity to acquire warrants, as well as participation in a long-term incentive program where 3% of group profit is set aside to be distributed to the 30 individuals included in the program after three years. Both programs have now been terminated, and no new incentive schemes were introduced in 2014.

Directors' Fees

The Directors' fees resolved by the AGM in April 2014 were 1,625,000 (1,620,000) SEK in 2014 and are allocated according to the table on page 67.

Management and Corporate Structure

The Chief Executive Officer is responsible for Beijer Electronics' ongoing administration, which covers all matters that are not reserved for the Board and administered by management. Instructions approved by the Board of Directors formalize the Chief Executive Officer's authorization to make decisions regarding investments, company acquisitions and divestments and finance matters.

Group management currently consists of the Chief Executive Officer, the Business Area Director of IDC, four Regional Directors, one Operations Director, the CFO and HR Director. The CEO also serves as Business Area Director of IAS, the largest business area.

Group management meetings are held regularly to discuss the group's strategic and operational progress and to monitor results of operations. For more information on the members of group management, see the group's website and page 71.

From September 15, 2014, Anna Belfrage holds the position as acting President and CEO.

In connection with the changes to the executive management and the Board resolution to invest close to 176 MSEK in Westermo, the Board of Directors decided to appoint an Executive Board for Westermo until further notice. Westermo's Executive Board includes two members of Beijer Electronics' Board of Directors and the CEO.

Business Areas

Beijer Electronics' operations are organized into two business areas. The Business Area Directors are members of the Executive Management Team and are responsible for the Income Statement and Balance Sheets of their respective areas. In terms of external reporting, the group's operations are divided into two business areas: IAS and IDC.

Internal Control over Financial Reporting

In tandem with adopting the Interim Report for the third quarter and annual Financial Statement, the company's Auditors report their observations from auditing and evaluating the company's internal controls. According to the Swedish Companies Act, the Board is responsible for internal controls. This responsibility includes issuing annual financial reports. The Board of Directors receives the reports and sets standards on their content and presentation to ensure quality each year. This implies that financial reporting should be expedient by applying applicable accounting standards and other requirements of listed companies.

Control Environment, Risk Assessment and Control Structures

Beijer Electronics structures and organizes its operating activities proceeding from decentralized responsibility for profitability. The base of internal controls in a decentralized operation consists of a well-secured process intended to define targets and strategies for each business.

Defined decision-paths, authorizations and responsibilities are communicated through internal instructions, regulations and policies adopted by the Board of Directors. The group's primary financial controlling documents are the overarching 'Corporate Manual', a

Work of the Board of Directors in 2014

			Attendance				Affiliation to	
Ordinary Board member	Elected Yr.	Position	Audit Committee	Remuneration Committee	Board Meetings	Fees, SEK	Beijer Electronics	Major Shareholders
Anders Ilstam	2002	Chairman	2/2	2/2	10/10	500,000	no	no
Bo Elisson	2013	Member	2/2		10/10	225,000	no	no
Bert Åke Eriksson	2002	Member	1/2	2/2	9/10	225,000	no	yes
Ulrika Hagdahl	2006	Member	2/2		10/10	225,000	no	no
Fredrik Jönsson	2008	CEO	1/2		6/10		yes	no
Maria Khorsand	2010	Member	2/2		10/10	225,000	no	no
Christer Öjdemark	2013	Member	2/2		10/10	225,000	no	no

** Board members Ulrika Hagdahl and Bo Elisson received 93,750 SEK and 125,000 SEK respectively for Board assignments in the subsidiary Westermo. Fredrik Jönsson resigned on September 15, 2014.*

reporting manual and audit manual, including instructions for each financial statement. Beijer Electronics has an established control structure to manage the risks the Board and management consider significant to internal controls regarding the group's accounting organization.

Accounting managers at all levels play a key role in terms of integrity, skills and the ability to create the environment necessary to achieve transparent and accurate financial reporting. Another important overall control activity is the monthly update on results that is conducted via the internal reporting system, and analyzed and subject to comment in reports to the Board. Monitoring the results of operations includes reconciliation against previously determined targets, the most recent forecast and monitoring established key financial ratios.

In accordance with the Code's stipulations, the Board of Directors has taken a view on the need for a dedicated internal audit function, and concluded that at present, there is no need to create such resources within the Beijer Electronics group. Coincident with its evaluation of this need, the Board of Directors considered the group's size, risk outlook and the control functions already established within the group, which include regular internal audits operated by the central finance function.

Financial Reporting and Information

Beijer Electronics' communication processes are intended to supply the market with relevant, reliable, accurate and up-to-date information on the group's progress and financial position.

Financial information is regularly submitted in the form of financial statements, interim reports, annual reports and press releases on important news and events that can materially affect the share price. Presentations and teleconferences for financial analysts, investors and the media are held on the day of publication of annual and quarterly reports. All reports, presentations and press releases are published on the group's website and intranet.

Insider Policy

Beijer Electronics' Board of Directors has adopted an insider policy supplementing Swedish market abuse legislation. This policy states the rules on registering insiders, their holdings and reporting, alerts and prohibition of trading in financial instruments. The complete insider policy is available from the company's website.

Code of Conduct

Beijer Electronics' operations should be conducted with high standards of integrity and ethics. The group has adopted a number of values that function as a framework for employees and promote good judgment and consistent decision-making. The company's Board of Directors approves the Code of Conduct each year for the group's operations, which also includes ethical guidelines. The document is available in full on the group's website.

Values

Beijer Electronics' values – Commitment, Drive and Trust – constitute a long-term commitment linked to its business concept, goals and strategy, guiding employees in daily activities. 'Commitment' reflects commitment to maximize customer benefit and closeness in relationships with customers, collaboration partners and employees. 'Drive' illustrates proactivity and a go-ahead approach in attitudes and technology development. 'Trust' represents honesty and conduct that inspires trust.

Board of Directors' Certification

The Board of Directors and Chief Executive Officer certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and give a true and fair view of the group's financial position and results of operations. The parent company's accounts have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the parent company's financial position and results of operations.

The Directors' Report for the group and parent company give a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and states the significant risks and uncertainty factors affecting the parent company and companies within the group.

The Consolidated Income Statement and Consolidated Balance Sheet and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to adoption at the AGM on April 22, 2015.

Malmö, Sweden, March 20, 2015

Anders Ilstam
Chairman

Christer Öjdemark

Maria Khorsand

Bo Elisson

Ulrika Hagdahl

Bert Åke Eriksson

Anna Belfrage
Acting President and CEO

Our Audit Report was presented on March 23, 2015
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Auditor in Charge

Magnus Jönsson
Authorized Public Accountant

Board of Directors

Anders Ilstam

Halmstad, Sweden. Born in 1941.
Chairman of the Board since 2005.
Board member since 2002.

Principal occupation: Directorships
Other assignments: Chairman of the Board of Svedbergs AB,Grimaldi Industri AB and 3nine AB. Board member of Enviro Systems AB and Plockmatic AB.
Education: Engineer.
Work experience: Former Deputy CEO of Sandvik AB, CEO of Sandvik Mining and Construction and several positions within Sandvik, the SKF Group and Beijerinvest AB.
Holdings in Beijer Electronics AB:
5,000 shares.

Christer Öjdemark

Linköping, Sweden. Born in 1951.
Board member since 2013.

Principal occupation: CEO of Envac Group AB.
Other assignments: Board member of Envac Group AB.
Education: M.Sc.
Work experience: Active for many years in companies including BT Industries and Danfoss.
Holdings in Beijer Electronics AB:
7,000 shares.

Maria Khorsand

Stockholm, Sweden. Born in 1957.
Board member since 2010.

Principal occupation: CEO and President of SP Technical Research Institute of Sweden.
Other assignments: Board member of SLU Sveriges Lantbruksuniversitet and SOS-Alarm Sweden AB.
Education: M.Sc. Computer Science.
Work experience: Previously held various directorships at Ericsson, OMX Technology and Dell Sweden AB.
Holdings in Beijer Electronics AB: No.

Bo Elisson

Göteborg, Sweden. Born in 1950.
Board member since 2013.

Principal occupation: Directorships
Other assignments: Chairman of Empower Oy in Finland.
Education: M.Sc. (Eng.).
Work experience: Extensive experience from ABB, Robotics Division. Previously Chairman of Flexlink AB and ADB Airfield Solutions in Belgium.
Holdings in Beijer Electronics AB:
10,000 shares.

Ulrika Hagdahl

Stockholm, Sweden. Born in 1962.
Board member since 2006.

Principal occupation: Directorships.
Other assignments: Board member of IFS AB and HiQ AB.
Education: M.Sc. (Eng.).
Work experience: Founder of Orc Software AB; formerly CEO and member of the board of the company.
Holdings in Beijer Electronics AB:
30,000 shares via company.

Bert Åke Eriksson

Göteborg, Sweden. Born in 1944.
Board member since 2002.

Principal occupation: Directorships
Other assignments: Chairman of the Board of Stena Sessan AB, board member of Stena Adactum AB.
Education: B.A.
Work experience: Former CEO of Stena Sessan AB, Dept Secretary of the Swedish Ministry of Transport and Communications, CEO of Rederi AB Gotland, CEO of United Tankers AB.
Holdings in Beijer Electronics AB:
61,371 shares.

Former CEO and President Fredrik Jönsson left the company on September 15, 2014, and has resigned from the Board. According to the AGM resolution on April 23, 2014, the Board of Directors shall consist of seven (7) members, which means that there is a vacancy.

Information on Board members' non-affiliation/affiliation to the company and major shareholders is in the Corporate Governance Report on page 67.

Auditors

Sofia Götmar-Blomstedt *Born in 1969*
Authorized Public Accountant,
PricewaterhouseCoopers AB.
Auditor of Beijer Electronics AB since 2008.

Magnus Jönsson *Born in 1973*
Authorized Public Accountant,
PricewaterhouseCoopers.
Auditor of Beijer Electronics AB since 2012.

Audit Report to the Annual Meeting of the Shareholders of Beijer Electronics AB (publ), *Corporate Identity Number 556025-1851*

Report on the Annual Accounts and Consolidated Accounts

We have audited the Annual Accounts and Consolidated Accounts of Beijer Electronics AB (publ) for the year 2014 with the exception of the Corporate Governance Report on pages 64–67. The Annual Accounts and Consolidated Accounts of the Company are included in the printed version of this document on pages 22–68.

Responsibilities of the Board of Directors and the Chief Executive Officer for the Annual Accounts and Consolidated Accounts The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these Annual Accounts in accordance with the Annual Accounts Act, and 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 Chief Executive Officer 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.

Auditors' 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 judgment, 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 Chief Executive Officer, 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 opinion.

Opinions In our opinion, the Annual Accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the Consolidated Accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2014 and of their financial performance and cash flows for the year in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our statements do not encompass the Corporate Governance Report on pages 64–67. 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 examined the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the Chief Executive Officer of Beijer Electronics AB (publ) for the year 2014. We have also conducted a statutory review of the Corporate Governance Report.

Responsibilities of the Board of Directors and the Chief Executive Officer
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 Chief Executive Officer are responsible for administration under the Companies Act and for preparing the Corporate Governance Report on pages 64–67 in accordance with the Annual Accounts Act.

Auditors' 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 be able to determine the liability, if any, to the Company of any board member or the Chief Executive Officer. We also examined whether any board member or the Chief Executive Officer 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 according to the above is sufficient and appropriate to provide a basis for our opinions.

In addition, we have read the Corporate Governance Report, and based on this and our knowledge of the company and group, we believe we have sufficient basis for our opinions. This means that our statutory review of the Corporate Governance Report has different orientation and significantly less scope than the orientation and scope of an audit 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 Chief Executive Officer be discharged from liability for the financial year.

A Corporate Governance Report has been prepared and its statutory information is consistent with the other parts of the Annual Accounts and Consolidated Accounts.

Malmö, Sweden, March 23, 2015 – **PricewaterhouseCoopers AB**

Sofia Götmar-Blomstedt
Authorized Public Accountant
Auditor in Charge

Magnus Jönsson
Authorized Public Accountant

Senior Executives

Anna Belfrage *Born in 1962*
Acting CEO and President
With Beijer Electronics since 2011.

Holdings in Beijer Electronics AB:
2,300 shares.

Tim Webster *Born in 1967*
VP Human Resources
With Beijer Electronics since 2011.

Holdings in Beijer Electronics AB:
1,100 shares.

Sven Knutsson *Born in 1964*
VP IA Global Operations
With Beijer Electronics since 2013.

Holdings in Beijer Electronics AB:
5,000 shares.

Joakim Nideborn *Born in 1983*
Acting CFO
With Beijer Electronics since 2013.

Holdings in Beijer Electronics AB:
2,200 shares.

Lars-Ola Lundkvist *Born in 1961*
Business Area Director, IDC
With Beijer Electronics since 2008.

Holdings in Beijer Electronics AB:
6,089 shares.

Roger Kroon *Born in 1965*
VP Sales Nordics
With Beijer Electronics since 1998.

Holdings in Beijer Electronics AB:
3,700 shares.

Berndt Köhring *Born in 1965*
VP Asia Pacific
With Beijer Electronics since 2011.

Holdings in Beijer Electronics AB:
1,430 shares.

Henrik Dalby Damm *Born in 1965*
VP Sales EMEA
With Beijer Electronics since 2013.

Holdings in Beijer Electronics AB:
1,181 shares.

Mark Hendel *Born 1955*
VP Sales Americas
With Beijer Electronics since 2010.

Holdings in Beijer Electronics AB:
4,000 shares.

Five-year Summary

SEK 000	2014	2013	2012	2011	2010
Income Statement					
Net sales	1,401,578	1,376,187	1,367,163	1,417,705	1,232,321
Other operating revenue and operating expenses*	40,579	1,509	-2,423	349	3,445
Operating expenses**	-1,328,545	-1,290,329	-1,265,200	-1,267,784	-1,111,444
Operating profit	**113,612**	**87,367**	**99,540**	**150,270**	**124,322**
Net financial income/expense	-16,831	-15,493	-26,419	-17,292	-4,301
Profit before tax	**96,781**	**71,874**	**73,121**	**132,978**	**120,021**
Estimated tax	-34,090	-27,508	-19,765	-33,854	-30,534
Net profit	**62,691**	**44,366**	**53,356**	**99,124**	**89,487**
Attributable to parent company shareholders	*61,725*	*44,218*	*49,939*	*95,288*	*87,358*
Attributable to minority interests	*966*	*148*	*3,417*	*3,836*	*2,129*
**of which non-recurring items*	*32,936*				
***of which non-recurring items*	*-16,662*	*-5,633*			*-1,681*

	2014	2013	2012	2011	2010
Balance Sheet					
Assets					
Fixed assets	894,763	850,863	776,692	804,954	783,325
Current assets	444,865	458,020	518,834	502,405	458,981
Cash and cash equivalents and short-term investments	156,842	147,926	128,469	178,258	105,064
Total assets	**1,496,470**	**1,456,809**	**1,423,995**	**1,485,617**	**1,347,370**
Equity and liabilities					
Equity attributable to parent company shareholders	496,531	391,363	384,400	394,708	318,970
Non-controlling interest	6,356	4,800	21,316	18,886	27,640
Long-term liabilities	504,430	544,766	545,613	618,329	659,411
Current liabilities	489,153	515,880	472,666	453,694	341,349
Total equity and liabilities	**1,496,470**	**1,456,809**	**1,423,995**	**1,485,617**	**1,347,370**
Of which interest-bearing liabilities	*655,597*	*707,776*	*650,091*	*633,929*	*478,261*
Key Financial Ratios					
Operating margin, %	8.1	6.3	7.3	10.6	10.1
Operating margin before non-recurring items, %	6.9	6.8	7.3	10.6	10.2
Profit margin, %	4.5	3.2	3.9	7.0	7.3
Equity ratio, %	33.6	27.2	28.5	27.8	25.7
Equity per share, SEK[a]	26.0	20.5	20.2	20.7	16.7
Earnings per share, SEK[a]	3.24	2.32	2.62	5.00	4.58
Return on equity after tax, %	13.9	11.1	13.0	26.1	28.0
Return on capital employed, %	10.3	8.8	9.6	16.2	16.9
Return on net operating assets, %	17.7	14.0	15.1	20.9	20.7
Average number of employees	760	776	752	731	538

a Calculated on the basis of total equity attributable to parent company shareholders.

	2014	2013	2012	2011	2010
Cash Flow Statement					
Cash flow from operating activities before change in working capital	115,582	115,803	93,331	160,514	135,559
Change in working capital	21,063	92,107	6,447	-104,028	-21,485
Cash flow from investing activities	-60,093	-140,871	-49,778	-108,906	-205,744
Cash flow from financing activities	-56,687	-20,187	-53,421	159,715	101,649
Dividend paid	-23,834	-23,668	-43,503	-37,968	-25,325
Change in cash and cash equivalents	**-3,969**	**23,184**	**-46,924**	**69,327**	**-15,346**
Cash and cash equivalents at beginning of year	147,926	128,469	178,258	105,064	127,439
Exchange rate difference in cash and cash equivalents	12,885	-3,727	-2,865	3,867	-7,029
Cash and cash equivalents at end of year	**156,842**	**147,926**	**128,469**	**178,258**	**105,064**

The Beijer Electronics Share

Beijer Electronics has been quoted on NASDAQ OMX Nordic Stockholm Small Cap List since June 2000. It has the ticker BELE. A trading lot is 300 shares.

Share Capital

Beijer Electronics' share capital is 6,355,862 SEK divided between 19,067,586 shares as of December 31, 2014. The minimum share capital is 2,000,000 SEK, and the maximum is 8,000,000 SEK. Each share has a quotient value of 0.33 SEK. All shares have one vote and possess equal rights to participation in the company's assets and profits.

Share Price and Turnover

In terms of bid price, the share price was 52 SEK on December 31, 2014, against 67.50 SEK at year-end 2013, implying a decrease of 23% in the year. In the same period, the Stockholm Stock Exchange's broad-based index OMXS increased by 12%. The Beijer Electronics share traded at a high of 70.75 SEK and a low of 44.50 SEK in the year. Share turnover was 2.9 million shares, or 15% of the total number of shares. In value terms, share turnover was 172 MSEK.

Earnings per Share

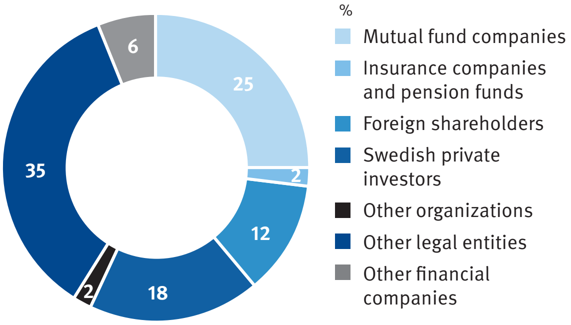
Earnings per share after tax were 3.24 SEK (2.32).

Dividend

The Board of Directors proposes a dividend of 1.25 SEK (1.25) for the financial year 2014. Dividends are 39% (54) of profit after tax. The dividend is 4.8% (6.1) of equity per share. The proposed dividends imply a dividend yield of 2.4% (1.9) as of the closing price at year-end 2014.

Shareholder Categories, Share of Equity

Source: Euroclear



Share Data

	2014	2013	2012
Earnings per share, SEK [a]	3.24	2.32	2.62
Dividend, SEK [b]	1.25	1.25	1.25
Pay-out ratio, %	39	54	47
Equity per share, SEK [a]	26.0	20.5	20.2
Return on equity, %	13.9	11.1	13.0
Closing price, SEK	52.00	67.50	62.00
No. of shares, million	19.1	19.1	18.9
Market cap., MSEK	992	1 287	1 174

a Values for 2012 have been restated after new share issue completed in 2013.

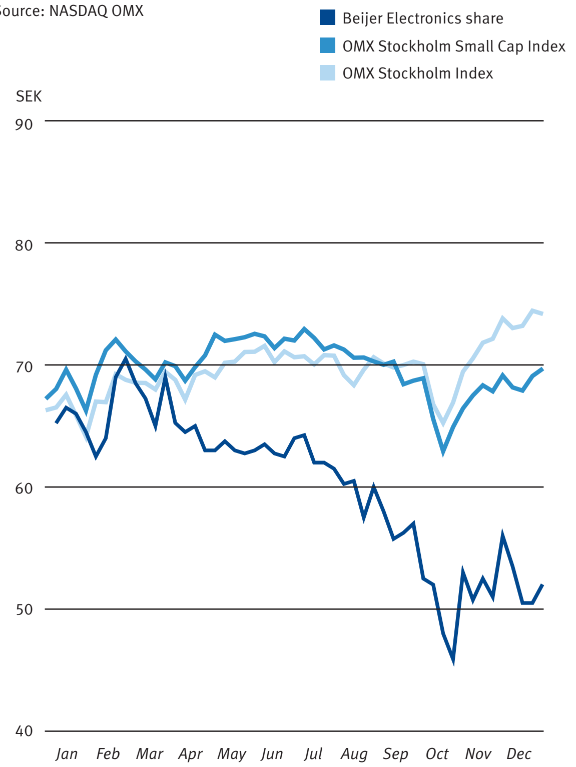
b The amount for 2014 is proposed dividend.

Ownership by Size of Shareholdings as of December 31, 2014

Holding	No. of Shareholders	No. of Shares	Holding, %	Votes, %	Market Value, SEK 000
1–500	2,197	325,476	1.71	1.71	16,925
501–1,000	458	343,972	1.80	1.80	17,887
1,001–5,000	544	1,224,122	6.42	6.42	63,654
5,001–10,000	88	624,176	3.27	3.27	32,457
10,001–15,000	24	302,599	1.59	1.59	15,735
15,001–20,000	15	268,071	1.41	1.41	13,940
20,001–	53	15,979,170	83.80	83.80	830,917
Total	**3,379**	**19,067,586**	**100.00**	**100.00**	**991,514**

Stock Index

Source: NASDAQ OMX



Shareholders as of December 30, 2014

Source: Euroclear

	No. of Shares and Votes	Proportion, %
Stena Sessan Rederi	5,680,116	29.8
Lannebo fonder	2,629,774	13.8
SEB Micro Cap Fund	1,417,784	7.4
SEB Investment Management	1,226,964	6.4
Fjärde AP-fonden	1,101,292	5.8
T. Bjurman, family holdings and companies	412,850	2.2
Citibank NA New York	301,097	1.6
Humle Kapitalförvaltning AB	220,000	1.2
Bengt Bergström	214,000	1.1
AMF Försäkring och Fonder	213,046	1.1
Total, ten largest shareholders	**13,416,923**	**70.4**
Other shareholders, 3,369	**5,650,663**	**29.6**
Total, 3,379	**19,067,586**	**100.0**

Definitions

Technical Definitions

Automation
Automation means extensively automated products and solutions, which replace manual work and are intended to run, optimize and control various types of industrial process.

Control system
See also PLC system. A programmable system to control and monitor various types of machinery and process.

Drive system
Collective term for various types of motor control, such as frequency inverters, soft starters and servo systems.

Ethernet switch
Interconnects different segments of an Ethernet-based network.

Frequency inverter
An electronic motor control that transforms fixed network frequency and voltage to continuous variables, to achieve benefits including energy savings and reduced motor maintenance costs.

HMI
Human machine interface. See also operator panel. Collective term for products or systems developed to simplify the work of operators in monitoring and controlling machines or processes.

Industrial data communication
Industrial data communication is utilized where there are high standards for secure data transmission, on infrastructure projects, for example.

IP-based data communication
Communication of data packets via wired or wireless Internet connections.

IPC
Industrial PC. Collective term for PC systems built to cope with especially harsh environments or for applications where high reliability is necessary.

Mobile data terminal
Operator panel with a touchscreen, and sometimes buttons, specifically developed for use in vehicles, whose environments set demanding standards on equipment. Installed in the vehicle or used as a handheld device.

OEM
Batch-producing machinery manufacturers.

Operator panel
Panel, see also HMI. A touchscreen or keyboard panel allowing operators to monitor and control the status of machinery or processes. Such panels are often co-located with equipment where operatives work.

PLC systems
Programmable logic controllers, also known as control systems. Programmable systems for controlling and monitoring various types of machinery and process. The size of these systems varies, with the larger systems being modular, with the facility for simple modification for various needs.

Soft control
Software installed on a computer or operator panel, for example, enabling it to function as a PLC system.

Soft motion
Software installed in a computer or operator panel for example to control the speed and position of one or more bus-connected motors.

Soft starter
Unit that regulates electric motor starting and stopping. Soft start and stop avoids unnecessary motor wear.

System integrator
A company with specialist competence in one or more sectors that provides services for automating and electrifying industrial facilities, such as panel builders and machinery builders.

Financial Definitions

Earnings per share
Net profit divided by the number of shares at year-end.

EBITDA
Earnings Before Interest, Taxes, Depreciations and Amortizations.

Equity per share
Equity attributable to parent company shareholders divided by the number of shares.

Equity ratio
Equity in relation to total assets.

Operating margin
Operating profit in relation to net sales.

Profit margin
Net profit in relation to net sales.

Return on capital employed
Profit before tax plus financial expenses in relation to average capital employed.

Return on equity after tax
Net profit in relation to average equity.

Return on net operating assets
Operating profit (profit after depreciation) in relation to average net operating assets.

Production: Beijer Electronics AB
Script: Beijer Electronics AB and JLC Finanskonsult AB
Translation: Turner & Turner
Images: Apeloga et al.
Printing: Exakta XL, ISO Certified

Welcome to the Annual General Meeting in Beijer Electronics AB (publ)

Shareholders of Beijer Electronics AB (publ) are hereby invited to the Annual General Meeting (AGM) to be held at 4 p.m. on Wednesday, April 22, 2015 at Malmö Börshus, Skeppsbron 2, Malmö, Sweden.

Entitlement to Participate in the AGM

For entitlement to participate in the AGM, shareholders should:

- First, be included in the share register maintained by Euroclear Sweden AB by no later than Thursday, April 16, 2015;
- Second, notify the company of their intention to participate, and assistants they may wish to bring, by no later than Thursday, April 16, 2015.

Notification

Notifications, which should state the shareholders' name, personal or corporate identity number, shareholding, address, telephone number and potential proxies/assistants can be made via the company's website, www.beijerelectronics.se, by telephone on +46 (0)40 35 86 44, by fax on +46 (0)40 93 23 01, by e-mail to arsstamma@beijerelectronics.se or by mail to Annika Johnsson, Beijer Electronics AB (publ), Box 426, 201 24 Malmö, Sweden. (Please mark the envelope 'AGM').

If participation is through power of attorney, a dated and signed original should be sent to the company. Representatives of legal entities should present certificates of incorporation or equivalent documentation stating authorized signatories. Power of attorney forms are available on the company's website and will be mailed to shareholders on request.

In order to participate at the Meeting, shareholders' with nominee-registered holdings must temporarily register their shares in their own name. Shareholders should request such temporary reregistration with their nominees in good time before April 16, 2015.

Dividend

The Board of Directors is proposing an ordinary dividend of 1.25 SEK per share for the financial year 2014. The proposed record date for the dividend is April 24, 2015. Dividends are scheduled for payment via Euroclear Sweden AB on June 2, 2015.

Financial Information 2015

April 22, 2015............................. AGM, 4 p.m. at Malmö Börshus
April 22, 2015..................................Three-month Interim Report
July 14, 2015..Six-month Interim Report
October 21, 2015..............................Nine-month Interim Report

All financial information is uploaded to Beijer Electronics' website www.beijerelectronics.se, where an e-mail subscription list for press releases and financial reports is also available.

Questions relating to the Beijer Electronics group should be addressed to Executive Assistant Annika Johnsson on tel +46 (0) 40 35 86 55, or via e-mail: info@beijerelectronics.se.

Invitation to the Annual General Meeting

AUSTRIA
Himberg

BELGIUM
Hellebecq

CHINA
Beijing
Shanghai
Shenzhen
Wuhan
Zhengzhou

DENMARK
Roskilde

ESTONIA
Tallinn

FINLAND
Kempele
Tampere
Ulvila
Vantaa

FRANCE
Champlan

GERMANY
Nürtingen
Waghäusel

LATVIA
Riga

LITHUANIA
Kaunas

NORWAY
Bergen
Drammen
Stavanger
Ålesund

SINGAPORE
Singapore

SOUTH KOREA
Seoul

SWEDEN
Göteborg
Jönköping
Malmö
Piteå
Stockholm
Stora Sundby
Västerås

SWITZERLAND
Zürich

TAIWAN
Taipei

TURKEY
Istanbul

UNITED KINGDOM
Castle Donington

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Minneapolis, MN
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