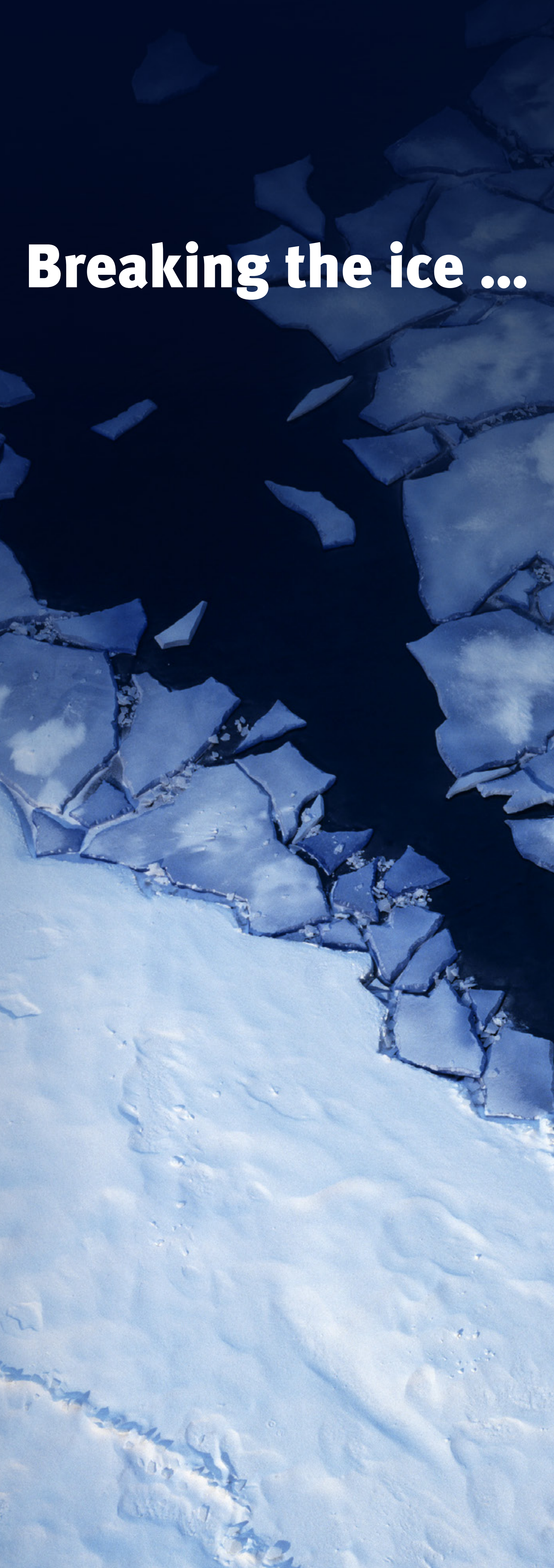
Beijer Electronics

Beijer ELECTRONICS


Breaking the ice ...

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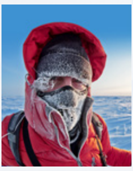
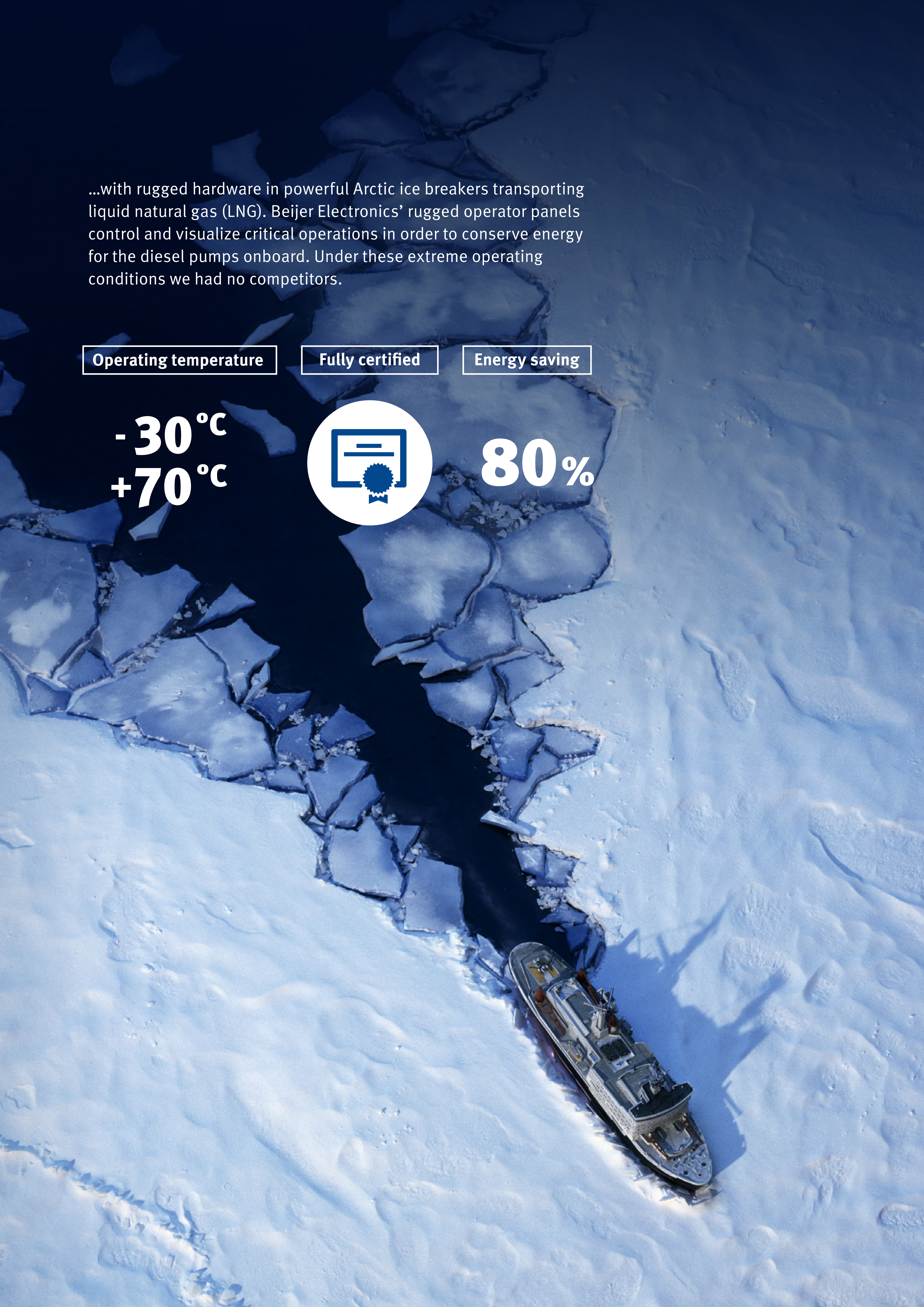
We love extreme conditions

Permafrost temperatures, constant vibrations and an extreme environment. In other words, optimal conditions for the rugged Beijer Electronics operator panel that visualizes critical operation in the Yamal LNG project. We’re showing our strength in the world’s largest industrial project in the Arctic, which pushes people and technology to the limits.





...with rugged hardware in powerful Arctic ice breakers transporting liquid natural gas (LNG). Beijer Electronics' rugged operator panels control and visualize critical operations in order to conserve energy for the diesel pumps onboard. Under these extreme operating conditions we had no competitors.

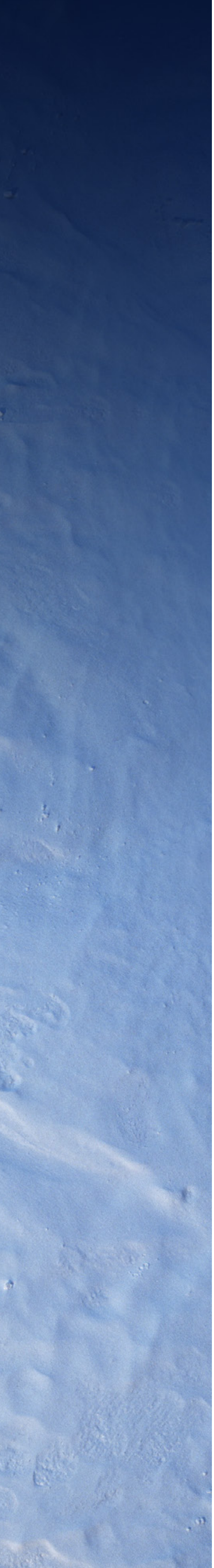
Operating temperature

- 30 °C
+70 °C

Fully certified

Energy saving

80%



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. By creating and developing innovative technologies and software we increase our customers' efficiency and reduce their costs, wherever they're based.

Our roots are in Malmö ...

Having a long-term local presence is an important part of Beijer Electronics' growth strategy. Our home market is Scandinavia and our head office has been located in Malmö, southern Sweden since 1981. We also have a presence in the rest of Europe, Asia and Americas, both through our own offices and carefully selected distributors.

... and we know our business

Beijer Electronics has high competence in software and hardware development alike. We also have a close understanding of what the market needs. One of our most valuable short and long-term assets is the expertise and experience of our staff.

One company – three brands

Beijer Electronics' products are marketed under 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).

Key events 2015

New record year for Westermo

As a world-leading supplier of data communication equipment for railway applications, Westermo's sales have been right on track. The company has delivered in line with its ambitious growth plan that spans three years and covers product development and sales. In the fall, Westermo won a prestigious order from Toshiba International Corporation worth 4.2 mUSD, for the supply of communication network equipment for the Washington Metropolitan Area Transit Authority (WMATA).

Focus on proprietary products

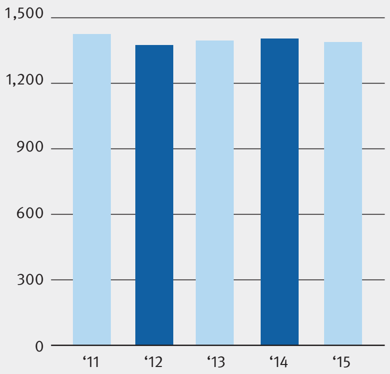
The partnership between Mitsubishi Electric and Beijer Electronics in the Nordics that spanned 33 years terminated at year end. Although this has created challenges in the sales process, it also generates new opportunities. The focus on proprietary products, which provided more than 80% of sales in 2015, continues. Beijer Electronics has focused on developing and marketing transparent solutions across the product line, in line with the company's product philosophy.

Distributor initiatives pay off

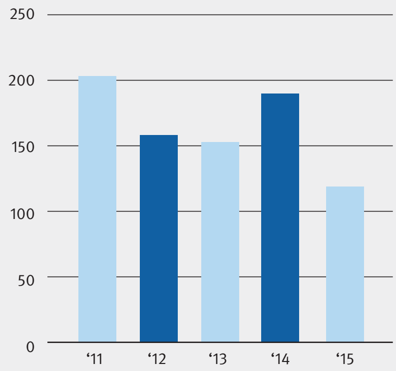
In 2015, Beijer Electronic introduced a number of initiatives aimed at distributors with the aim of generating regional commitment to our products, as well as supporting sales, service and support on local markets. The focus has been on streamlining this prioritized sales channel. This has improved market coverage and increased profitability.

Key figures 2015

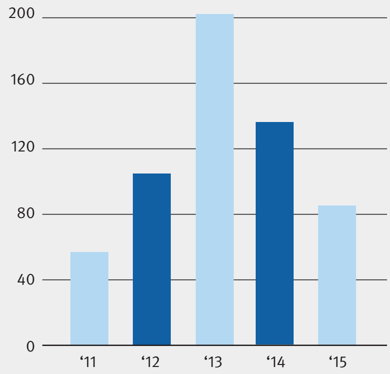
Sales (MSEK)



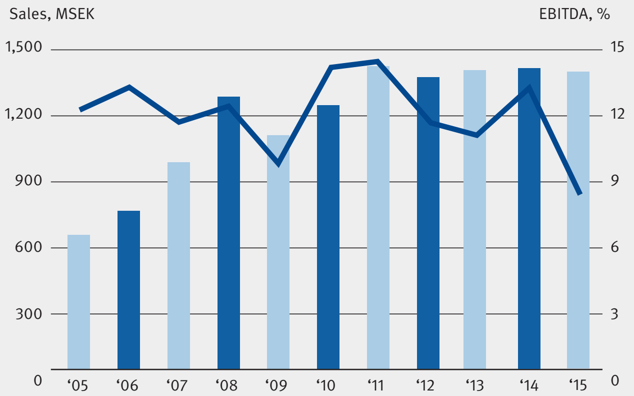
EBITDA (MSEK)



Operating cash flow (MSEK)



Group sales and profitability, 2005–2015



The bar charts and left-hand scale show annual sales.
The curve and right-hand scale show EBITDA.

Key figures

	2015	2014	2013
Sales, MSEK	1,374.6	1,401.6	1,376.2
EBITDA, %	8.4	12.7	11.0
Operating profit, MSEK	52.2	113.6	87.4
Operating margin, %	3.8	8.1	6.3
Profit after tax, MSEK	23.8	62.7	44.4
Earnings per share, SEK	1.26	3.24	2.32
Dividend per share, SEK	1.25*	1.25	1.25
Equity ratio, %	36.3	33.6	27.2

**Board of Directors' proposed dividend.*

Product development costs

The investments in future growth through a focus on technology and product development continued in 2015, with total costs of product development of 121.4 MSEK.

121.4 MSEK

Key figures, employees

	2015	2014	2013
Average number of employees	752	760	776
Sales per employee, MSEK	1.8	1.8	1.8
EBITDA per employee, SEK 000	153.6	235.0	195.0
EBIT per employee, SEK 000	69.4	149.5	112.6
Employees in R&D	128	115	117
Distribution men/women, %	66/34	67/33	66/34

CEO'S STATEMENT

New focus and the right competencies set direction

"My first six months as CEO of Beijer Electronics have clearly shown the competencies and professionalism of our people in the IAS and IDC business areas. Capitalizing on our employees' expertise and potential will be a critical factor in the forthcoming change process and is the key to our success.

Beijer Electronics is making a new start in 2016 by creating a solid and streamlined platform for long-term profitable growth. The plan has been set. It begins with the events of 2015, our market position and the competitive climate.

2015 was disappointing for the group as a whole, with lower sales than expected and unsatisfactory profitability. However, we also had significant success in the year. The IDC business area made convincing progress. With a sales increase of close to 20% IDC reached a new milestone at over half a billion SEK in sales.

Investments in IDC's growth

The business area's extensive investment and expansion program proceeded as planned, particularly in subsidiary Westermo. Although profit figures are down due to planned cost increases in development and markets, the outcome remains within the framework of the plan.

The investment program has focused on recruiting product development staff, while a number of new products have also been launched. In 2016, the emphasis will shift to recruitment in marketing, sales and support, which will help IDC safeguard its high growth. Westermo also confirmed its global leadership in the train segment in the year, and received a major repeat order from Toshiba for the supply of communication network equipment for the Washington Metropolitan Area Transit Network. Korenix also won an important breakthrough order for wireless networks from Taiwan Power.

IDC's success illustrates its strong competitive position internationally, and progress in 2015 confirms that the business area looks set to achieve its sales and profit targets in 2017. The goals are annual sales of around 800 MSEK and an operating margin above 14%.

Multiple factors behind downturn in IAS

As the group's new CEO, I will be allocating significant resources to turning IAS around. The business area was hit by several setbacks last year, with the termination of the contract with Mitsubishi Electric and the dramatic demand downturn in the oil and gas sector in the US. This led to a substantial reduction in sales and weak profitability in 2015. Exchange rate effects also had a negative profit impact of just over 22 MSEK, as Beijer Eletronics' USD-denominated purchases were higher than equivalent sales for the year.

Just as temporary problems have revealed some weaknesses, they have also created new opportunities. IAS rests on a solid platform and has a presence on the right geographical markets. Still, a review of operations revealed a need to refine some strategies and streamline the execution process. Basic operations need to return profitable growth. The problems in recent years are the result of too many products approaching end-of-life coupled with an unfavorable USD exchange rate.

We will address these factors in 2016. In January, we initiated a further program of measures aimed at reducing costs by 50 MSEK annually, which will take full effect in 2017. Like all businesses, Beijer Electronics is affected by global economic trends. However, with the exception of Scandinavia, we're a small player in global terms, and this means that we should be able to return growth regardless of economic conditions.

Shift in focus creates growth potential

Using IDC as a model, our ambition is to ensure that IAS finds market segments and niches that return growth and high profitability. Rugged operator panels for demanding environments such as the oil and gas sector can be included in other segments such as energy and mining, for example. In other words, it's better to be a big player in a niche than a minor player on a large market.

The program of measures incudes a partly new marketing organization and rationalizations in manufacturing. The objective is to create a more customer-oriented, closely knit and flexible organizational structure. Ultimately, we want to increase the proportion of software sales, step up the focus on selected segments for rugged operator panels and focus our resources on fewer markets while reaching larger customers.

At the same time, there's a great deal going on in IAS. The product offering is gradually being renewed and more sales will be derived from middle-of-life products in a few years' time. We've already achieved a great deal in terms of software product development for our smart operator panels. In 2015, we launched the new software version iX 2.20. The business area also successfully implemented a cost savings program in the year.

This means that we face positive prospects of turning IAS around and achieving our long-term objectives of positive growth and an operating margin of some 10%.

Anniversary marked by new identity

In 2016, Beijer Electronics is marking its 35-year anniversary by entering a new phase. Beijer Electronics was founded in 1981 on the basis of the Mitsubishi Electric distribution agreement; a collaboration that terminated at year end. Although this implies a short-term sales decrease of about 150 MSEK in 2016, it also creates new opportunities and a sharper focus on proprietary products, which will now provide more than 90% of sales.

My first six months as CEO of Beijer Electronics have clearly shown the competencies and professionalism of our people in the IAS and IDC business areas. Capitalizing on our employees' expertise and potential will be a critical factor in the forthcoming change process and is the key to our success.

In 2016, we face the challenge of smoothly implementing restructuring and measures in IAS, while ensuring that IDC maintains positive growth. We're focusing on 2017 and the ensuing three years, when we expect to see results in line with our targets. Sales in 2016 are expected to be down in the first six months, while a slight improvement on 2015 is expected in the second half of the year. Overall, we expect the group to return slightly reduced net sales and slightly improved operating profit excluding non-recurring costs for the full year 2016 compared with the outcomes 2015.

Per Samuelsson
President and CEO

People meet technology

People have learnt to use technology to deliver the goods and services we use in our daily lives. Take a look around you. Wherever there are processes to drive and control, or information to communicate and visualize, there is a need for smart hardware and software solutions. This interface between people and technology is where Beijer Electronics comes in as bridge-builder. Here are some of the areas where Beijer Electronics has an impact on your life.

Buildings

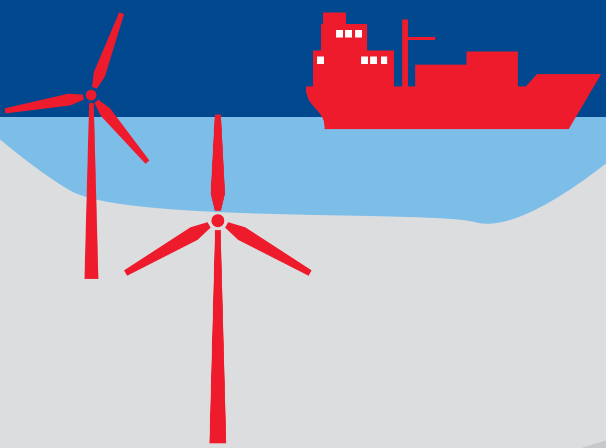
– lower energy consumption

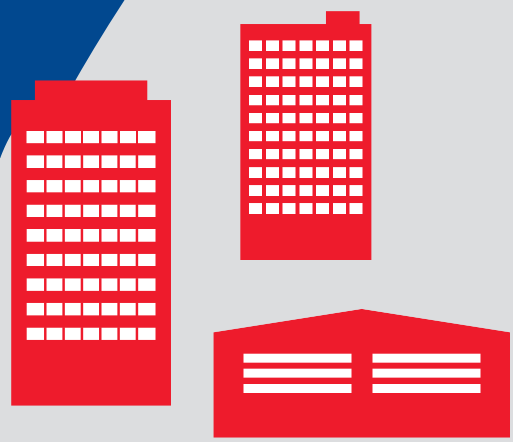
Higher energy prices and a growing awareness of environmental issues drive efforts to minimize energy consumption in homes, office buildings and factories. Integrating production processes with smart building automation lowers energy consumption.

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

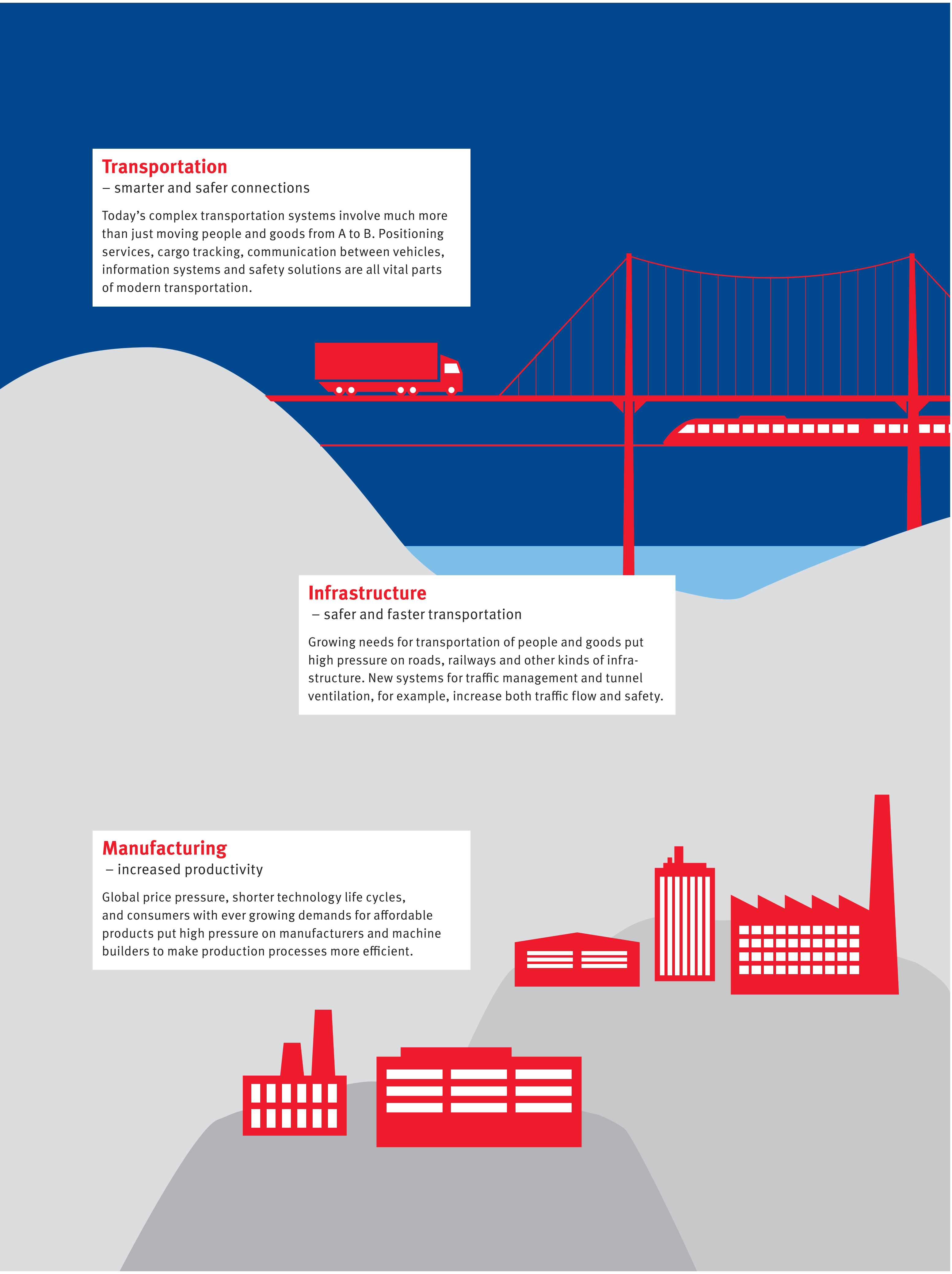
– efficient solutions and smarter distribution

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.

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.



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.

Infrastructure

– safer and faster transportation

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.

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.

About our market

Market offering

Beijer Electronics' main product offering can be divided into two technology areas: visualization and data communication. All products in these technology areas are developed in-house and generate over 90% 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 drivers

Examples of demographic, legislative and technological drivers that affect our 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

Growth potential

The global market for operator panels is estimated to be worth some 21 billion SEK. The addressable market for industrial data communication is estimated at some 16 billion SEK.

The group benefits from two positive factors: strategic product development has the potential to increase market share and the trend on many of Beijer Electronics' markets is positive.

Market by technology area

	DATA COMMUNICATION	VISUALIZATION
Market growth	13%	3%
Global market, billion SEK	16 BILLION SEK	21 BILLION SEK
Market share	5%	3%

The IAS business area

Core operations with new visions

In 2015, Beijer Electronics focused on laying the foundation for the products of the future, in the fields of industrial hardware and innovative software solutions. The aim is to create a strong technology platform that includes flexible functionality for a broader application area. This will be reflected in several key product launches that are set to strengthen Beijer Electronics' product offering significantly in 2016.

Sharper focus on software

In the fall, we released an upgrade to our proprietary HMI software, iX 2.20, which included important performance improvements and new architecture. Intensive development is underway to modularize the software further, which will facilitate adding customized functionality more efficiently in applications in line with demand from the fast-moving industrial market.

Positive growth prospects

The hardware development is driven by the ambition to expand applications, go beyond the traditional boundaries of automation and create cost-efficient solutions. For example, the industrial iX HMI solution is being expanded to include integrated soft control and soft motion, and certifications for use in marine and extreme operating environments. Interest in these types of solutions grew in 2015. The trend indicates positive growth prospects and opens up the possibility of broadening the target market through increasingly powerful software and cloud solutions.

"On a market undergoing rapid technological progress and change, we need to develop standard hardware and software solutions that can be easily customized according to our customers' needs.

SVEN KNUTSSON, VP IA GLOBAL OPERATIONS

Industrial technology meets consumer

Dometic is a world-leading provider of mobile comfort products for caravans and motor homes. On behalf of its customer caravan manufacturer Kabe, Dometic has chosen a unique cloud-based control solution from Beijer Electronics.

With an operator panel from Beijer Electronics installed in their caravan or motorhome, owners are allowed to control different functions through a cloud service. The HMI software iX facilitates communication with the panel and the caravan's or motor home's systems in a smartphone app that sends push notifications when actions need to be taken.

The IAS business area – regional sales

“In 2015, we focused on marketing our proprietary HMI, control and communication products through intensive campaigns and training initiatives in the Nordics. This began to feed through to customers during the fall, when we won a prestigious order in building automation in Sweden.

The year was characterized by the termination of the Mitsubishi Electric contract. The phasing out of agency products affected sales, but despite the challenges the process also generated new potential. The global oil crisis implied a challenging marine market in the first half-year, particularly in Norway.

Restructuring of our sales organization, plus clear growth strategies, ensure that we’re well equipped ahead of 2016.

ROGER KROON, VP SALES NORDICS

Share of sales

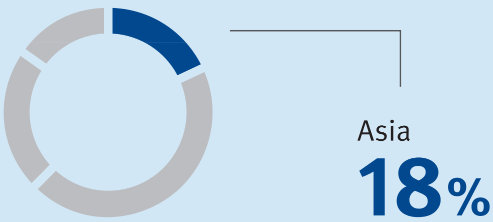
“The focus in Asia was on increasing brand awareness. Beijer Electronics’ HMI solutions made a technical footprint in the marine sector and generated prestigious orders from a leading ship builder in China and a major shipping industry machine builder in Korea. We completed marketing initiatives aimed at the oil and gas and mining industries, which generated positive results for rugged HMI products despite a weaker oil market.

The new competitive TxF-2 operator panels were well received. We intend to retain our market share in industrial automation, especially in Taiwan where we’re the market leader.

In August, we opened up an office in Korea to support our expansion on that market. We’ve also contracted new distributors in South East Asia and anticipate positive sales growth in 2016.

BERNDT KÖHRING, VP ASIA

Share of sales



> In EMEA, organizational restructuring strengthened the distributor segment and improved partner sales. However, weaker oil and gas and machine building markets were also reflected in sales.
>
> Our commercial focus has been on upgrading the product portfolio to include a new global product range in line with our new product strategy. In order to move forward on low-price markets such as Turkey and India, we launched the competitive TxF-2 operator panels during the year, which have generated sales growth in recent quarters. We also signed a contract with a new distributor in Pune, India in 2015. The aim is to launch the iX software, which will provide us with a complete offering on the Indian market.

HENRIK DALBY DAMM, VP SALES EMEA

Share of sales

EMEA
22%

> 2015 was characterized by adjustments in Americas. Lower oil prices triggered a significant downturn in the oil and gas segment. This meant that we needed to rapidly shift the focus towards general industry machine builders, which benefit from the advantages of our powerful iX software and rugged hardware.
>
> This strategy won us more than 50 new customers and gains in the packaging industry and marine sector. The same focus will continue in 2016, while we already are well-equipped ahead of recovery on the oil market.

TIM WEBSTER, ACTING VP SALES AMERICAS

In February 2016, Mark Hendel left his position as VP Sales Americas. Tim Webster will be Acting VP until Stefan Lager takes up his position in April 2016.

Share of sales

North America
15%

The IDC business area

Westermo returns growth according to plan

2015 was mainly characterized by the three-year growth plan initiated at the end of last year. An intensive recruitment process focused on strengthening the company's organization, with emphasis on research and development. The growth plan also implied a sharp focus on sales, mainly in Edge Network Solutions and Train Networks, where Westermo achieved significant success in the year.

Growth in train networks

The continued focus on network solutions for trains resulted in a stronger market position and sharply increased sales. Westermo won several major orders and strengthened its collaborations with key customers and partners in the year. The gains made in 2015 created momentum and Westermo is in a good position to advance its global leadership in coming years.

Robust network solutions

Westermo expanded its offering in network products and continued the development of its proprietary WeOS operating system, and network configuration management tool WeConfig. Sustained hardware and software initiatives further strengthened the potential to satisfy market demand for robust network solutions that are easy to configure and use.

Regional sales

2015 was another record year for Westermo, with growth of 17%. Sales in North America increased by 26%. In Asia we reported positive sales and proprietary sales in Europe were in line with last year. Distributor and retail sales returned positive growth, with particular advances being made in Poland, Italy, Spain and the Middle East.

“ Westermo’s customers continue to demonstrate their significant confidence in the company and its products. This is a result of the high competencies of our employees, which strengthens us and adds momentum to our growth initiatives.

LARS-OLA LUNDKVIST, MANAGING DIRECTOR, WESTERMO

Deliveries to Toshiba back on track

Westermo won a major new order from Toshiba International Corporation for the delivery of network equipment worth some 4.2 mUSD. The order comprises Ethernet-based network switches for building the communication infrastructure on the new trains ordered by Washington Metropolitan Area Transit Authority (WMATA). Deliveries are scheduled to begin in the third quarter 2016 and include equipment for a total of 384 rail cars. Toshiba delivers drive and control systems to Kawasaki, which is building the trains on behalf of WMATA.

New wireless products ensure future growth

In 2015, Korenix mainly focused on implementing of the investment plan authorized in 2014 which involves developing wireless technology and surveillance products. Product development focused on modular hardware solutions, industrial 3G/4G technology and software tools that enable secure wireless communication, a requirement in smart cities. Various technical solutions are integrated in new ways to improve service efficiency in so-called smart cities, and we currently have a strong offering in areas such as transport and power distribution. We are well prepared to meet a future of Industry 4.0 and IoT.

We also implemented our new ERP system in the year, which has enabled us to analyze internal processes. This means that we've been able to improve product delivery, quality and reliability further.

Our people and competencies

As part of the next step in our investment plan, we've upgraded competencies through extensive training initiatives aimed at existing staff, and have recruited several new members of staff in specialist areas such as radio technology. Our new premises include high tech laboratories that allow us to test all products thoroughly prior to launch, which contributes to improving quality further.

Regional sales

2015 was a mixed year in terms of Korenix' sales. Although sales increased in Western and Northern Europe, sales declined in Eastern Europe and Russia. Americas also declined, which burdened profit. Asia and the Middle East returned positive growth, with the exception of China, which experienced a downturn. Sales to OEM customers continued to grow, which offset weaker distributor sales.

“Product development in security and wireless communication is well-timed as more urban areas are moving towards becoming smart cities. The ability to offer stable software and secure and fast communication are key to success.

BERNDT KÖHRING, VP ASIA

Technology for smart cities

More and more smart cities are emerging globally, creating new business opportunities for Korenix. Our latest products, which include leading-edge industrial wireless technology and PoE solutions, are well suited to these cities' core networks. The first installations have been made in the transport segment. Growing demand for wireless solutions in buses, trains and metro networks are positive for the future, and the wireless platform is also suitable for other markets such as M2M and power stations. We won a major breakthrough order from Tai Power in Taiwan, which could potentially generate sales of 15 MSEK.

Strategies

"In 2016, the Beijer Electronics group will effect a turnaround aimed at returning IAS to growth and profitability. For IDC, it's important to continue to win market share and deliver on our growth plans.

PER SAMUELSSON, PRESIDENT AND CEO

The IAS business area

Beijer Electronics' proprietary HMI products are the foundation of the IAS business area. In the Nordics, 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 that is attractive to many different markets. IAS has a broad-based global presence as OEM customers and system integrators are the key sales channels, which are approached by proprietary sales teams. In order to reach full potential, the in-house sales organization is also supplemented by a broad distributor network.

The IDC business area

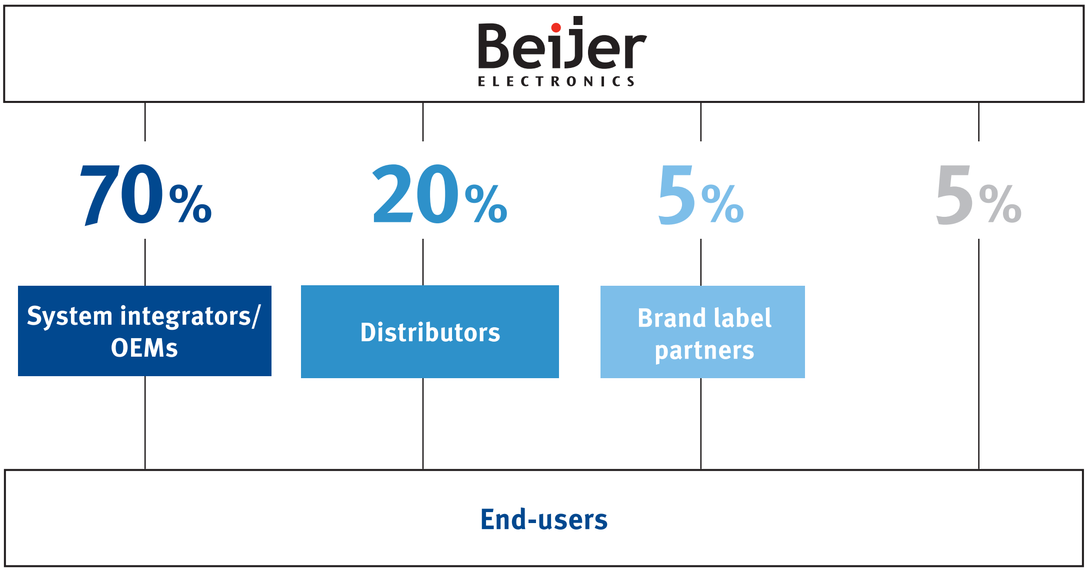
The IDC business area consists of the brands Westermo and Korenix, which have complementary strategies.

Westermo develops and manufactures communications products and solutions for demanding segments such as the rail, processing, water and energy industries. Westermo has a world-leading offering for robust network solutions for critical operating systems. The products consist of robust hardware platforms built on the proprietary WeOS operating system. The company's global market presence is achieved through in-house sales and leading OEM customers.

Korenix has a leading position 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.

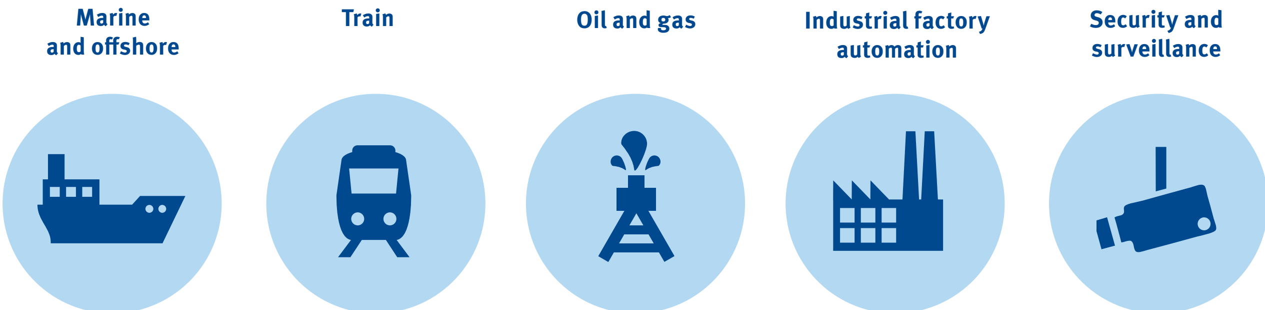
Sales channels

We focus mainly on sales to end users through a combination of different channels. System integrators and OEMs (Original Equipment Manufacturers) either use our solutions or utilize our products as part of their solutions. We also have brand label partners and a distributor network that supplement sales and provide service and support on local markets.



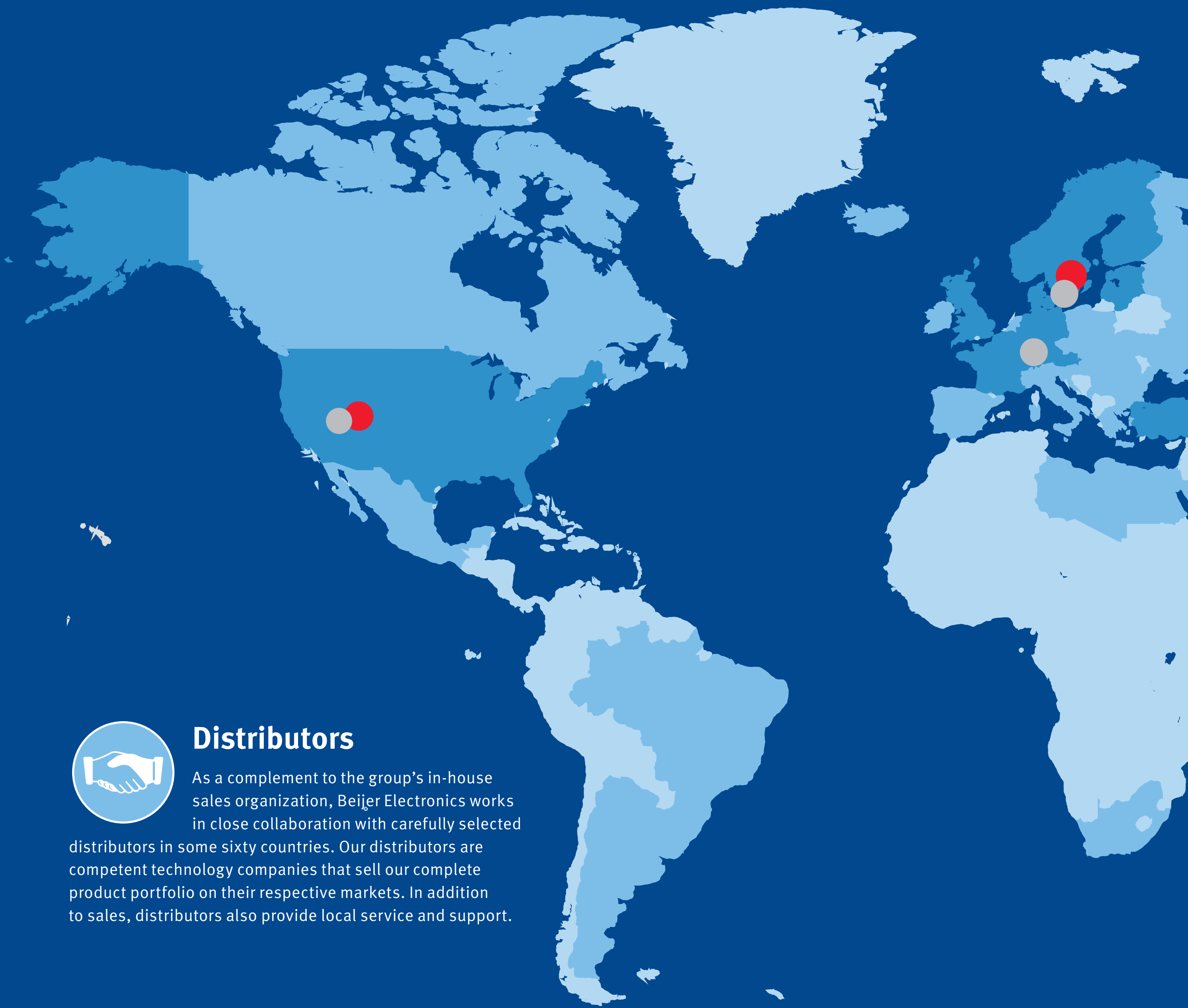
Market segments

General industrial automation and data communication is our largest market segment, exemplified by the manufacturing industry which mainly uses standard products. To complement this, we have identified a number of segments with highly specific requirements where we are well advanced. In order to remain competitive, we work with customized products and application solutions, frequently in close collaboration with our customers.



In touch with our markets

Since 1981, Beijer Electronics has grown from a local Swedish technology company to a multinational group with operations on leading markets the world over. Our ambition is to be a resourceful partner to our customers in their expansion into new markets – while giving them 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 collaboration 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.

** The operations in Finland and the Baltics were divested at the beginning of 2016.*

Financial Information

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

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

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.

Beijer Electronics AB

IAS
Industrial Automation Solutions

IDC
Industrial Data Communication

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 2015. 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 and datacommunication solutions. Products and solutions from Beijer Electronics are sold through proprietary sales units in 19 countries, and via a network of independent distributors in around 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 at around 10% annually. In 2015, group progress was in line with the long-term growth trend. The industrial automation market is returning long-term growth of around 3-5% annually. The overall market was relatively stable in 2015, although progress in different segments and niche areas differed sharply. Demand in the oil and gas sector contracted dramatically in the year as a result of falling oil prices. The marine segment also made slow progress. At the same time, the overall market is characterized by continued caution, especially for large-scale investments. The global market exhibited the same fragmented pattern as in previous years. The US market was affected by the decline in oil and gas. Demand on European markets increased on some markets and reduced on others. Asia returned relatively good growth.

Order intake, sales and profit

The group's order intake decreased by 1,332.6 MSEK (1,398.2) in 2015. The IAS business area's Vehicle division in the US was divested in June 2014. Adjusted for the divestment, order intake decreased by 3%. The weaker SEK had a positive impact on order intake. Adjusted for exchange rate effects, order intake was down 11%. Group sales decreased by 2% to 1,374.6 MSEK (1,401.6). Excluding the US divestment, sales were unchanged. Adjusted for exchange rate effects, sales decreased by 8%.

In the Nordics and Baltics, total sales decreased by 13% to 470 MSEK (539), corresponding to 34% of group sales. For the rest of Europe, sales increased by 6% to 424 MSEK (399), or 31% of total sales. In North and South America, sales decreased by 7% to 240 MSEK (259), corresponding to 17% of sales. In Asia, sales increased by 20% to 210 MSEK (175) or 15% of group sales.

Proprietary products represented approximately 85% of the group's total sales.

The group's operating profit before depreciation and amortization was 115.5 MSEK (178.6). Depreciation and amortization was 63.3 MSEK (65.0). Operating profit was 52.2 MSEK (113.6). The profit figure for 2014 includes capital gains of 32.9 MSEK. Excluding these gains, profit was 80.7 MSEK. The reduced profit was due to lower sales volume and negative exchange rate effects of 22.5 MSEK. At the same time, the profit decrease was slowed down by the savings program from 2014 in the IAS business area which generated currency/adjusted cost reductions of 32 MSEK in the year. Total development expenses were 121.4 MSEK (113.5), corresponding to 8.8% (8.1) of group sales.

Profit before tax was 43.3 MSEK (96.8). Net financial income/expense was -8.9 MSEK (-16.8). Profit after estimated tax was 23.8 MSEK (62.7). Earnings per share after estimated tax was SEK 1.26 (3.24).

Significant events

In May 2015, Beijer Electronics' Board of Directors appointed Per Samuelsson (57) as new CEO and President. Per Samuelsson has held the equivalent position in the Strålfors group for 16 years. Strålfors was formerly a company listed but was bought out by what is now the PostNord group in 2006. Per was previously a member of PLM's group management, as Head of Division, and has held a number of senior positions in the Perstorp group. Per holds an M.Sc. (Econ.) from the Stockholm School of Economics. He took up his position on 1 September 2015.

After more than 30 years of close collaboration between Mitsubishi Electric and Beijer Electronics, the companies decided to part ways in June 2015 as their respective strategies had come to significantly deviate. The existing distribution agreement was not renewed, and expired at year-end 2015. The distribution agreement where Mitsubishi Electric sold Beijer Electronics' operator terminals under its own brand was also terminated at year-end 2015. The resulting volume losses for Beijer Electronics led to a review of the company's Nordic organization. A total of 50-60 jobs were affected, of which 20-30 in Sweden.

In November, Beijer Electronics' subsidiary Westermo (IDC business area) won a major new order for the delivery of network equipment from Toshiba International Corporation. The order was worth 4.2 MUSD, or approximately 37 MSEK. The order consists of ethernet-based network switches for the new 7000 series of trains ordered by the Washington Metropolitan Area Transit Authority (WMATA). The order, which was included in the groups order intake in the fourth quarter, is the second order from WMATA. Westermo also won an order of a similar value in 2012. Deliveries under the new order are expected to commence in the third quarter 2016, including equipment for a total of 384 rail cars. Toshiba delivers drive and control systems to Kawasaki, which constructs the trains on behalf of WMATA.

Beijer Electronics appointed Joakim Laurén as new CFO of the group in November. Joakim, who took up his position on 1 February 2016, is joining Beijer Electronics from his position as CFO of the SCAN COIN group and has previously held a number of senior positions in finance with Alfa Laval.

At the end of November, Beijer Electronics signed the final agreement relating to the divestment of the Finnish operations, which had total sales of 50 MSEK in 2015. The transaction was completed after year-end. UTU will act as Finnish distributor of Beijer Electronics' HMI products and several other brands looking ahead.

Industrial Automation Solutions (IAS)

The IAS business area develops, manufactures and sells operator communication products and control and drive systems. IAS faced significant challenges in the year. The agreement between Beijer Electronics and Mitsubishi Electric was cancelled in June, terminating at year-end 2015. This had already affected IAS in the form of sharply lower sales of Mitsubishi Electric's products last year. The business area was also hit hard by a significant demand downturn in the oil and gas sector in the US as a result of lower oil prices. The overall market also made relatively weak progress, with a few exceptions such as Asia and some European countries. Aside from this, IAS successfully implemented the savings program initiated at the end of 2014. The measures have reduced costs by 32 MSEK currency-adjusted. In fall 2015, IAS also introduced a rationalization program as a result of the terminated agreement with Mitsubishi Electric, which becomes effective in 2016. As part of the restructuring process, the Finnish operations were divested at year end 2015, and the Baltic operations are scheduled to be sold in the first quarter 2016.

However, these measures are deemed to be insufficient for IAS to achieve satisfactory profitability. This meant that IAS initiated a further restructuring program in January 2016, including measures aimed at marketing, sales, product development and manufacture. The cost of the program is estimated at 50 MSEK, which will be posted to profit in the first quarter 2016. The program of measures is expected to generate annual cost savings of 50 MSEK, taking full effect in 2017.

Order intake, sales and profit

Order intake was 798.4 MSEK (905.4) Adjusted for the divestment of the Vehicle business in the US in 2014, order intake decreased by 10%. Sales were down by 11% to 818.8 MSEK (923.2). Adjusted for the divestment in the US, sales decreased by 8%, of which lower sales of Mitsubishi Electrics' products represented 6%. Operating profit before depreciation and amortization was 38.3 MSEK (108.2). Depreciation and amortization was 21.3 MSEK (26.9). Operating profit was 17.1 MSEK (81.3). Profit for 2014 included capital gains of 32.9 MSEK. Excluding this figure, profit was 48.4 MSEK. This corresponds to a margin of 2.1% (5.2). The reduced profit is due to lower sales volumes and negative exchange rate effects.

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 very strongly in 2015, another record year in terms of order intake and sales, which were up by 8% and 18% respectively. IDC won several new major orders, including a large order from Toshiba for communication network equipment for trains. The order emphasizes the subsidiary's global leadership in the field. Westermo also gained several new customers in the train segment in the year. Korenix received a major breakthrough order for wireless networks from Taiwan power. A number of new products were launched in the year, including new switches, and new 4G industrial router, secure remote cloud-based access, and a new version of the WeConfig network and configuration management tool.

IDC's profit decreased according to plan as a result of the increased costs associated with the extensive investment program decided in fall 2014. The business area focused on recruitment in development during the year. In 2016, the emphasis will shift to recruitment in marketing, sales and support, as well as stepping up investments in production. The business area's positive progress confirms the earlier assessment that IDC will be able to reach its sales and profit targets in 2016 and 2017.

Order intake, sales and profit

Order intake increased by 8% to 534.2 MSEK (492.8). Sales increased by 18% to 567.6 MSEK (483.0). Operating profit before depreciation and amortization was 80.3 MSEK (85.3). Depreciation and amortization was 30.6 MSEK (27.5).

Operating profit was 49.7 MSEK (57.8), corresponding to an operating margin of 8.8% (12.0). The decreased profit is due to higher fixed costs for sales and development under the decided investment plan.

Investments, cash flow and financial position

The group's investments including capitalized development expenses and acquisitions were 80.0 MSEK (60.1) in 2015. Cash flow from operating activities including changes in working capital was 84.7 MSEK (136.6). Equity was 521.0 MSEK (496.5) at year-end. The equity ratio was 36.3% (33.6). Cash and cash equivalents were 116.6 MSEK (156.8). Net debt was 492.8 MSEK (498.8).

Profitability

Return on equity was 4.6% (13.9). Return on capital employed and net operating assets were 4.8% (10.3) and 7.4% (17.7) respectively.

Human resources

The average number of employees was 752 (760). Sales per employee were 1.84 MSEK (1.84).

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, Unterensingen in Germany, Salt Lake City in the USA and Taipei in Taiwan. Development expenses in IAS were 49.0 MSEK (58.2). This corresponded to 6.0% (6.3) 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 70.0 MSEK (52.9), corresponding to 12.3% (11.0) of sales.

The group's total development expenses were 121.4 MSEK (113.5), corresponding to 8.8% (8.1) of group sales.

Currencies

Beijer Electronics' sales are conducted globally in different currencies. Euro-denominated sales were the equivalent of 488.9 MSEK, or 35.6% of total sales. Sales denominated in Swedish kronor were 211.1 MSEK, 314.1 MSEK denominated in US dollars, 82.3 MSEK in Norwegian kroner, 46.7 MSEK in Danish kroner, 62.5 MSEK in UK Sterling and 169.0 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's close collaboration with Mitsubishi Electric terminated at the end of 2015. Mitsubishi Electric was a supplier to the group and buyer of Beijer Electronics products. The collaboration with Mitsubishi Electric generated sales of some 150 MSEK in 2015, the majority from the Nordics, which essentially ceases in 2016. In fall 2015, Beijer Electronics completed a program of measures aimed at reducing costs and countering anticipated decreased sales. The program was followed up by a second round of measures in January 2016. Overall, the objective is to reduce costs by 50 MSEK annually, taking full effect in 2017.

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, as the group has historically obtained natural risk cover from sales and costs denominated in respective significant currencies. 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 609.5 MSEK (655.6) at year-end. Net debt amounted to 492.8 MSEK (498.8).

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, 2015. At year-end, Beijer Electronics' largest shareholder was Stena Sessan Rederi AB, with 29.8% of the capital and votes. Lannebo Fonder held 14.9% of the capital and votes and SEB Fonder 13.9% of the capital and votes.

The AGM 2015 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 executives

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 66.

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 2015 were approved by the AGM in April 2015. In 2015 remuneration to the Board of Directors and management, and a review of the incentive plan, is stated in Note 7 on page 46.

Outlook for 2016

Beijer Electronics' challenge in 2016 is to turn the IAS business area around, and to implement the decided restructuring program. The IDC business area's advances in 2015 and the implementation of the far-reaching investment program have created a solid platform for continued positive profitable growth. Given the shortfall in sales from Mitsubishi Electrics' products in 2016, Beijer Electronics' sales are set to decrease in the first six months of the year, while the second half-year is expected to provide a moderate increase on 2015. Overall, Beijer Electronics is expected to return slightly lower sales and somewhat increased operating profit excluding non-recurring costs for the full year 2016 compared to 2015.

Proposed appropriation of profit

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

SEK 000	
Retained profit	109,679
Net profit	45,796
Total	**155,475**

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	131,641
Total	**155,475**

The proposed record date for entitlement to dividends is April 28, 2016. If the proposal is ratified by the AGM, the dividend is estimated to be paid on May 3, 2016.

The proposed dividend has been determined considering the group's equity ratio of 36.3% at year end and the parent company's equity ratio of 19.5%. 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 26, 2016.

Post Balance Sheet events

After the end of the financial year, on January 4, 2016, Beijer Electronics' Board of Directors convened an Extraordinary General Meeting held on January 28, 2016. The EGM adopted a Board resolution to divest the group's subsidiaries in Estonia, Latvia and Lithuania to certain of the companies' senior executives. The companies had total sales of 18 MSEK in 2015.

The divestment of the Finnish operations was completed on January 11, 2016.

At the end of January 2016, Beijer Electronics' Board of Directors decided to implement a restructuring program in the IAS business area. The cost of the program is estimated at 50 MSEK which will be posted to profit in the first quarter 2016. The program of measures is expected to generate annual cost savings of 50 MSEK, taking full effect in 2017, of which 30 MSEK will take effect in 2016.

The program includes a partly new marketing organization as well as rationalizations in manufacture. The objective is to create a more customer-oriented and flexible organization, focusing on proprietary products. The ambition is also ultimately to increase the proportion of software of total sales, focusing on specific selected segments for robust terminals, as well as concentrating resources on fewer markets and approaching larger customers. More information about the program will be communicated in the first quarter.

IAS entered 2016 with pro-forma sales of approximately 670 MSEK, excluding sales generated by the collaboration with Mitsubishi Electric in 2015. The purpose of the restructuring program is to create a solid platform for future profitable growth. IAS' long-term objective is to achieve organic growth of some 5%, and an operating margin of 10%.

Consolidated Income Statement

SEK 000	2015	2014	Note
Revenues	1,374,575	1,401,578	2
Cost of goods sold	-752,120	-756,896	3
Gross profit	**622,455**	**644,682**	
Sales overheads	-231,286	-230,843	3
Administration overheads	-348,625	-340,806	3
Other operating revenue and operating expenses	9,656	40,579	4
Operating profit	**52,200**	**113,612**	2,4,5,6,7,8
Financial income	3,542	2,865	
Financial expenses	-12,402	-19,696	
Net financial income/expense	**-8,860**	**-16,831**	9
Profit before tax	**43,340**	**96,781**	
Tax	-19,523	-34,090	11
Net profit	**23,817**	**62,691**	
Attributable to parent company shareholders	*23,957*	*61,725*	
Attributable to non-controlling interests	*-140*	*966*	
Earnings per share, before and after dilution, SEK	*1.26*	*3.24*	*20*

Statement of Comprehensive Income

SEK 000	2015	2014
Net profit	**23,817**	**62,691**
Other comprehensive income: **Items not potentially reclassifiable to profit or loss**		
Restatement of net pension obligations	10,854	-13,293
Items potentially reclassifiable to profit or loss		
Translation differences	13,216	81,160
Comprehensive income	**47,887**	**130,558**
Attributable to parent company shareholders	*48,266*	*129,002*
Attributable to non-controlling interests	*-379*	*1,556*

Consolidated Balance Sheet

SEK 000	Dec. 31, 2015	Dec. 31, 2014	Note
ASSETS			
Fixed assets			
Property, plant and equipment	83,493	83,642	13
Intangible assets	718,321	701,164	12
Participations in associated companies	72,594	73,585	15
Long-term receivables	2,157	3,972	17
Deferred tax assets	33,109	32,399	25
Total fixed assets	**909,674**	**894,763**	
Current assets			
Inventories	190,001	189,593	18
Accounts receivable	193,293	206,658	19
Income taxes recoverable	10,787	10,700	
Other receivables	13,637	20,305	19
Prepaid expenses and accrued income	18,976	17,610	19
Cash and cash equivalents	116,636	156,842	
Total current assets	**543,330**	**601,707**	
Total assets	**1,453,004**	**1,496,470**	
EQUITY AND LIABILITIES			
Equity			
Share capital	6,356	6,356	
Other contributed capital	25,697	25,697	
Translation reserves	60,443	46,988	
Accumulated profit or loss	428,467	417,490	
Equity attributable to parent company shareholders	**520,963**	**496,531**	
Equity attributable to non-controlling interests	5,977	6,356	
Total equity	**526,940**	**502,887**	
Long-term liabilities			
Borrowings	370,000	340,000	22
Other long-term liabilities	6,790	11,523	32
Pension provisions	84,569	90,989	22,24
Deferred tax liabilities	57,459	54,134	25
Other provisions	12,145	7,785	26
Total long-term liabilities	**530,963**	**504,430**	
Current liabilities			
Borrowings	144,157	197,441	22
Customer advances	7,437	4,502	
Accounts payable–trade	106,059	116,396	
Tax liabilities	5,794	14,687	
Other liabilities	26,055	40,578	32
Accrued expenses and deferred income	105,599	115,548	27
Total current liabilities	**395,101**	**489,153**	
Total liabilities	**926,064**	**993,583**	
Total equity and liabilities	**1,453,004**	**1,496,470**	

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

Consolidated Statement of Changes in Equity

SEK 000	Share Capital [a]	Other Contributed Capital	Translation Reserves	Accumulated Profit or Loss [b]	Total	Non-controlling Interests	Total Equity
	Attributable to Parent Company Shareholders						
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 [c]				-23,834	-23,834		-23,834
Closing equity, Dec. 31, 2014	**6,356**	**25,697**	**46,988**	**417,490**	**496,531**	**6,356**	**502,887**

SEK 000	Share Capital [a]	Other Contributed Capital	Translation Reserves	Accumulated Profit or Loss [b]	Total	Non-controlling Interests	Total Equity
	Attributable to Parent Company Shareholders						
Opening equity, Jan. 1, 2015	6,356	25,697	46,988	417,490	496,531	6,356	502,887
Net profit				23,957	23,957	-140	23,817
Restatement of net pension obligations				10,854	10,854		10,854
Translation differences			13,455		13,455	-239	13,216
Comprehensive income	**6,356**	**25,697**	**60,443**	**452,301**	**544,797**	**5,977**	**550,774**
Transactions with shareholders							
Dividends [c]				-23,834	-23,834		-23,834
Closing equity, Dec. 31, 2015	**6,356**	**25,697**	**60,443**	**428,467**	**520,963**	**5,977**	**526,940**

a 19,067,586 (19,067,586) shares with a quotient value of 0.33 (0.33) SEK. All shares are of the same class.
b Including net profit for the year.
c Dividend per share was SEK 1.25 (1.25).

Consolidated Cash Flow Statement

SEK 000	2015	2014	Note
Operating activities			31
Profit before tax	43,340	96,781	
Adjustments for non-cash items, etc.	64,912	64,306	
Tax paid	-29,576	-45,505	
Cash flow from operating activities before changes in working capital	**78,676**	**115,582**	
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventories	1,639	34,025	
Increase (-)/decrease (+) in trade receivables	21,763	2,673	
Increase (+)/decrease (-) in trade liabilities	-17,419	-15,635	
Cash flow from operating activities	**84,659**	**136,645**	
Investing activities			
Investments in intangible assets	-45,369	-28,461	
Investments in property, plant and equipment	-17,347	-17,277	
Purchases of subsidiaries, net liquidity effect	-14,440	-14,355	
Investments in financial assets	-2,809		
Cash flow from investing activities	**-79,965**	**-60,093**	
Financing activities			
Change in overdraft facility	-23,246	3,599	
Loan amortization		-60,286	
Dividend paid to parent company shareholders	-23,834	-23,834	
Cash flow from financing activities	**-47,080**	**-80,521**	
Cash flow for the year	-42,386	-3,969	
Cash and cash equivalents at beginning of year	156,842	147,926	
Exchange rate difference in cash and cash equivalents	2,180	12,885	
Cash and cash equivalents at end of year	**116,636**	**156,842**	

Parent Company Income Statement

SEK 000	2015	2014	Note
Net sales	61,593	61,295	30
	61,593	**61,295**	
Operating expenses			
Sales and administration overheads	-76,697	-86,833	5,6,7,8,30
Other operating expenses			
Operating profit	**-15,104**	**-25,538**	
Profit from financial items			
Profit from other securities and receivables classified as fixed assets	1,537	11,742	9
Dividend from subsidiaries	46,814	53,699	9
Other interest income, etc.	6,821	8,678	9
Interest expenses, etc.	-7,469	-15,332	9
Profit after financial items	**32,599**	**33,249**	
Appropriations	14,754	10,913	10
Profit before tax	**47,353**	**44,162**	
Tax on profit for the year	-1,557	335	11
Net profit and comprehensive income for the year	**45,796**	**44,497**	

Parent Company Balance Sheet

SEK 000	Dec. 31, 2015	Dec. 31, 2014	Note
Assets			
Fixed assets			
Intangible assets	**42,114**	**41,534**	12
Property, plant and equipment	**672**	**740**	13
Financial assets			
Participations in group companies	383,385	383,385	14
Receivables from group companies	290,618	300,046	16
Shares in associated companies	76,394	73,585	
Deferred tax assets	3,040	3,762	
Total financial assets	**753,437**	**760,778**	
Total fixed assets	**796,223**	**803,052**	
Current assets			
Current receivables			
Receivables from group companies	33,019	26,075	
Income taxes recoverable	1,127	1,126	
Other receivables	308	1,278	
Prepaid expenses and accrued income	4,803	4,907	19
Total current receivables	**39,257**	**33,386**	
Cash and bank balances		6,591	
Total current assets	**39,257**	**39,977**	
Total assets	**835,480**	**843,029**	

SEK 000	Dec. 31, 2015	Dec. 31, 2014	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	109,679	89,016	
Net profit	45,796	44,497	
Total non-restricted equity	**155,475**	**133,513**	
Total equity	**163,075**	**141,113**	
Untaxed reserves		**1,050**	21
Provisions			
Pension provisions	5,121	4,380	
Total provisions	**5,121**	**4,380**	
Long-term liabilities			
Liabilities to credit institutions	370,000	340,000	23
Liabilities to group companies	122,867	74,398	
Other long-term liabilities		3,906	
Total long-term liabilities	**492,867**	**418,304**	
Current liabilities			
Liabilities to credit institutions	143,809	196,482	23
Accounts payable—trade	8,066	6,221	
Liabilities to group companies	5,114	40,636	
Other liabilities	2,521	15,515	
Accrued expenses and deferred income	14,907	19,328	27
Total current liabilities	**174,417**	**278,182**	
Total equity and liabilities	**835,480**	**843,029**	

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, 2015	Dec. 31, 2014	Note
Pledged Assets	None	None	
Contingent liabilities	31,691	34,180	29

Parent Company Statement of Changes in Equity

SEK 000	Restricted Equity *Share Capital* [a]	Restricted Equity Statutory Reserve	Non-restricted Equity Accumulated Profit or Loss	Non-restricted Equity 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**

SEK 000	Restricted Equity *Share Capital* [a]	Restricted Equity Statutory Reserve	Non-restricted Equity Accumulated Profit or Loss	Non-restricted Equity Net Profit	Total Equity
Opening equity, Jan. 1, 2015	**6,356**	**1,244**	**133,513**		**141,113**
Net profit				45,796	45,796
Total changes to net worth, exc. transactions with company's shareholders	**6,356**	**1,244**	**133,513**	**45,796**	**186,909**
Dividend			-23,834		-23,834
Closing equity, Dec. 31, 2015	**6,356**	**1,244**	**109,679**	**45,796**	**163,075**

a	*2015*	*2014*
No. of shares	*19,067,586*	*19,067,586*
Quotient value (SEK)	*0.33*	*0.33*

Parent Company Cash Flow Statement

SEK 000	2015	2014	Note
Operating activities			
Profit after financial items	32,599	33,249	
Adjustments for non-cash items, etc.	8,012	7,445	
Tax paid	-836	-497	
Cash flow from operating activities before changes in working capital	**39,775**	**40,197**	
Cash flow from changes in working capital			
Increase (-)/decrease (+) in trade receivables	-5,870	14,294	
Increase (+/decrease (-) in trade liabilities	-41,294	24,675	
Cash flow from operating activities	**-7,389**	**79,166**	
Investing activities			
Investments in intangible assets	-7,525	-5,158	
Investments in property, plant and equipment	-258	-94	
Investments/amortization of financial assets	-2,809		
Cash flow from investing activities	**-10,592**	**-5,252**	
Financing activities			
Borrowings		2,818	
Increase/decrease of financial liabilities	57,897	1,735	
Loan amortization	-22,673	-60,000	
Dividend paid	-23,834	-23,834	
Cash flow from financing activities	**11,390**	**-79,281**	
Cash flow for the year	-6,591	-5,367	
Cash and cash equivalents at beginning of year	6,591	11,958	
Cash and cash equivalents at end of year	**0**	**6,591**	31

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, 2016. Standards that came into effect from January 1, 2016 onwards, for which earlier adoption has been encouraged, did not affect Beijer Electronics' accounting for 2015. The Consolidated Accounts have been prepared in accordance with the cost method with the exception of 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

No new standards, amendments or interpretations that became effective in the financial year commencing on 1 January 2015 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, 2015 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. 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. According to IFRS 15, revenue recognition takes place when the customer obtains control over the good or service sold and gains access to the benefit associated with the good or service. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and associated SIC and IFRIC. IFRS 15 becomes effective on January 1, 2018. 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 21, 2016. 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 26, 2016.

(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 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 – trade 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 goodwill 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 and amortization

Depreciation and amortization 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 (remaining contract term)	4–10 years
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 and amortization 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) Severance 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 plans

There are bonus plans in the group. The bonus plans are based on trading profit and are payable if a predetermined target is achieved. The expenses for bonus 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.

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 excluding assumptions of future salary increases, 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.

Estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and makes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment in accordance with the requirements of the accounting principles described under Impairment of Assets in Note 1. The recoverable amounts of all cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. (Note 12).

(b) Taxes

The group is subject to income and other taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income and other taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Pension benefits

The present value of pension benefits is dependent on a number of factors that are determined on the basis of actuarial assumptions with the help of a number of calculations. The assumptions used when determining the net cost (revenue) of pensions include the discount rate. Any changes in these assumptions will impact on the recognized value of pension commitments. The group determines the applicable discount rate at the end of each year. This is the interest used to determine the present value of estimated future payments that are expected to be required to settle the group's pensions commitments.

When determining the applicable discount rate the group takes into account interest rates on first-rate corporate bonds expressed in the currency in which remuneration will be paid, and with terms that correspond to the assessment of the relevant pension obligation.

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.

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 communication 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.

2015

SEK 000	IAS	IDC	Other	Elimination	Total
Revenues					
External sales	818,759	555,816			1,374,575
Internal sales	31	11,785		-11,816	
Total sales	**818,790**	**567,601**		**-11,816**	**1,374,575**
Operating profit before depreciation and amortization*	**38,310**	**80,314**	**-7,833**	**4,721**	**115,512**
Depreciation of property, plant and equipment	-5,934	-11,136	-326	-4,189	-21,585
Amortization of intangible assets	-15,326	-19,456	-6,945		-41,727
Operating profit	**17,050**	**49,722**	**-15,104**	**532**	**52,200**
*of which restructuring expenses	-4,125		-3,200		-7,325

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

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	2015	2014
Sweden	241,692	268,003
Norway	99,341	123,371
Finland	60,699	62,710
Denmark	58,066	67,766
Nordics	**459,798**	**521,850**
Germany	121,137	151,951
UK	68,878	67,066
Rest of Europe	244,825	199,434
Total Europe	**894,638**	**940,301**
North America	239,697	258,871
China	80,618	74,338
Taiwan	57,526	50,729
Rest of Asia	70,401	49,676
Rest of World	31,695	27,663
Total	**1,374,575**	**1,401,578**

Geographical Division of Fixed Assets

SEK 000	2015	2014
Sweden	419,994	414,292
Rest of Europe	64,586	73,981
US	166,288	160,774
Taiwan	224,659	212,031
Rest of World	1,038	1,286
Total	**876,565**	**862,364**

Note 3

Cost types

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

SEK 000	2015	2014
Cost of materials	546,541	596,709
Salaries, benefits and social security expenses	449,797	387,745
Depreciation and amortization of intangible assets and property, plant and equipment	63,313	65,020
Other expenses	272,380	279,072
	1,332,031	**1,328,546**

Note 4

Other operating revenue and operating expenses

SEK 000	2015	2014
Group		
Profit/loss from divested operations*		32,936
Exchange rate gains on trade receivables/liabilities	23,199	16,912
Exchange rate losses on trade receivables/liabilities	-22,450	-11,966
Other	8,907	2,697
	9,656	**40,579**

**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.*

Note 5

Fees and reimbursement to Auditors

SEK 000	2015	2014
Group		
PricewaterhouseCoopers		
Auditing	1,458	1,401
Auditing in addition to audit assignment	24	20
Tax consultancy	246	234
Other assignments	59	110
Total PwC	**1,787**	**1,765**
Other auditors		
Auditing	275	258
Tax consultancy	0	28
Other assignments	19	0
Total other auditors	**294**	**286**
Parent company		
PricewaterhouseCoopers		
Auditing	616	580
Auditing in addition to audit assign-ment	0	20
Tax consultancy	0	54
Other assignments	19	22
Total PwC	**635**	**676**

Note 6

Operating lease payments

SEK 000	2015	2014
Group		
Total lease expenses	**39,006**	**32,946**
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	34,963	29,659
Between one and five years	104,027	76,214
Total	**138,990**	**105,873**
Parent Company		
Total lease expenses	**10,232**	**9,596**
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	8,624	9,968
Between one and five years	34,496	37,820
Total lease expenses	**43,120**	**47,788**

Note 7

Employees and personnel expenses

Average Number of Employees

	2015	Of which men, %	2014	Of which men, %
Parent company				
Sweden	28	66	26	64
Total in parent company	**28**	**66**	**26**	**64**
Subsidiaries				
Brazil	0	0	1	100
Denmark	14	74	14	71
Estonia	4	75	4	75
UK	17	79	16	82
Finland	13	85	17	76
France	10	79	10	79
India	0	0	1	100
China	32	59	34	62
Latvia	2	50	3	67
Lithuania	2	100	2	100
Norway	21	86	22	84
Singapore	4	100	4	100
Sweden	237	85	233	85
Taiwan	241	41	238	41
Turkey	16	63	13	77
Germany	47	77	55	77
USA	65	66	67	70
Total in subsidiaries	**724**	**67**	**734**	**67**
Group total	**752**	**67**	**760**	**67**

Gender Breakdown, Group Management

	Dec. 31, 2015	Dec. 31, 2014
	Prop. Women	*Prop. Women*
Parent company		
Board	33%	33%
Other senior managers	0%	11%
Group total		
Board	33%	33%
Other senior management	0%	11%

Salary, Other Remuneration and Social Security Expenses

SEK 000	2015		2014	
	Salary and remuneration	*Social security expenses*	*Salary and remuneration*	*Social security expenses*
Parent Company	22,086	12,195	30,245	11,846
(of which pension expenses)		*(4,737)[a]*		*(4,242)[a]*
Subsidiaries	318,969	96,542	259,801	85,850
(of which pension expenses)		*(28,833)*		*(21,996)*
Group total	**341,055**	**108,737**	**290,046**	**97,696**
(of which pension expenses)		*(33,570)[b]*		*(26,238)[b]*

a Of parent company pension expenses, 1,142,000 SEK (2,025,000) relates to the Board and CEO.
b Of consolidated pension expenses, 1,142,000 SEK (2,025,000) relates to the Board and CEO.

Remuneration to Senior Executives – Board of Directors

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

SEK	2015	2014
Board of Directors		
Anders Ilstam, Chairman of the Board	500,000	500,000
Bert Åke Eriksson	225,000	225,000
Ulrika Hagdahl	225,000	225,000
Maria Khorsand	225,000	225,000
Bo Elisson	225,000	225,000
Christer Öjdemark	225,000	225,000

Board members Ulrika Hagdahl and Bo Elisson charged fees of 375,000 SEK and 500,000 SEK respectively for consulting assignments in the subgroup Westermo.

Remuneration and Other Benefits in the Year

The cost of remuneration and benefits to the CEO and senior executives amounted to the following:

SEK 000	2015		2014	
	CEO [b]	*Other Senior Executives [a]*	*CEO*	*Other Senior Executives [a]*
Basic salary	4,199	13,844	3,510	14,012
Performance related pay	0	1,813	175	1,286
Other benefits	85	1,785	142	2,449
Pension expenses	1,142	2,477	1,298	2,692
Total salary and remuneration	**5,426**	**19,919**	**5,125**	**20,439**

a There are 8 (8) other senior executives.

b In addition to the amounts indicated, a redundancy payment of 3,200,000 SEK (10,800,000) 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.

Other senior executives

Other senior executives 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 executives 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 executives. 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 2016

The Board of Directors proposes that the AGM adopts the following guidelines for remunerating senior executives. Senior executives 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 an 18-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 executives. Directors' fees are resolved by the AGM.

Note 8

Depreciation, amortization and impairment of property, plant and equipment and intangible assets

SEK 000	2015	2014
Group		
Capitalized development expenditure	-17,725	-22,549
Capitalized expenditure for software	-7,147	-6,576
Customer contracts, brands and similar rights	-16,856	-16,016
Buildings and land	-1,502	-1,398
Machinery and other plant	-2,747	-2,559
Equipment, tools, fixtures and fittings	-17,336	-15,921
	-63,313	**-65,019**
Parent Company		
Capitalized expenditure for software	-6,945	-6,444
Equipment, tools, fixtures and fittings	-326	-403
	-7,271	**-6,847**

Note 9

Net financial income/expense

SEK 000	2015	2014
Group		
Interest income	768	265
Revaluation of additional purchase consideration	2,216	2,601
Net exchange rate difference	558	
Financial income	**3,542**	**2,865**
Interest expenses	-8,602	-17,266
Equity share, associated company	-3,800	
Net exchange rate difference		-2,430
Financial expenses	**-12,402**	**-19,696**
Net financial income/expense	**-8,860**	**-16,831**

	Profit or Loss from Other Securities and Receivables that are Fixed Assets		Interest Income, etc.	
SEK 000	2015	2014	2015	2014
Parent Company				
Interest income, group companies			4,112	6,058
Revaluation, additional purchase consideration			2,216	2,601
Interest income, other			493	19
Dividend	46,814	53,699		
Exchange rate difference	3,771	17,325		
	50,585	**71,024**	**6,821**	**8,678**

	Profit or Loss from Other Securities and Receivables that are Fixed Assets		Interest Income, etc.	
SEK 000	2015	2014	2015	2014
Parent Company				
Interest expenses, group companies			-543	-1,011
Interest expenses, other			-6,926	-14,321
Write-down of loans, group companies	-2,234	-5,583		
Exchange rate difference				
	-2,234	**-5,583**	**-7,469**	**-15,332**

Note 10

Appropriations

SEK 000	2015	2014
Parent company		
Accumulated depreciation in excess of plan, reversal for the year		2,625
Tax allocation reserve, reversal in the year	1,050	250
Group contributions, received	13,704	8,038
	14,754	**10,913**

Note 11

Tax on Net Profit

SEK 000	2015	2014
Group		
Current tax		
Tax expense for the period	-16,564	-42,367
Excise duties	-3,809	-2,450
Adjustment of tax attributable to previous year	-459	5,766
	-20,832	**-39,051**
Deferred tax (Note 25)		
Occurrence and reversal of temporary differences	966	6,075
Deferred tax in the deductible value of loss carry-forwards changed in the year	343	-1,114
	1,309	**4,961**
Total reported tax expense, group	**-19,523**	**-34,090**
Parent company		
Current tax		
Excise duties	-835	-491
	-835	**-491**
Deferred tax		
Occurrence and reversal of temporary differences	-722	2,290
Deferred tax in the deductible value of loss carry-forwards changed in the year		-1,464
	-722	**826**
Total reported tax expense, parent company	**-1,557**	**335**

Reconciliation of actual tax

SEK 000	2015	2014
Group		
Profit before tax	43,340	96,781
Tax at applicable rate, parent company	-9,535	-21,292
Tax effect of:		
- Other tax rates for foreign subsidiaries	-1,838	-10,052
- Non-deductible expenses	-1,590	-2,014
- Non-taxable revenues	1,135	692
- Effects of loss carry-forwards, net	2,875	-2,838
- Effect of changed tax rate	-2,345	120
- Tax attributable to previous year	-459	5,766
- Excise duties	-3,809	-2,450
- Other	-3,957	-2,022
- Reported tax, Income Statement	**-19,523**	**-34,090**
Parent company		
Profit before tax	47,353	44,162
Tax at applicable rate, parent company	-10,418	-9,716
Tax effect of:		
- Non-deductible expenses	-635	-1,295
- Non-taxable revenues	10,333	11,841
- Standard-rate interest on tax allocation reserve	-2	-4
- Excise duties	-835	-491
Reported tax, Income Statement	**-1,557**	**335**

Note 12

Intangible assets

SEK 000	Goodwill	Development Expenditure	IT Expenditure	Trademarks & Brands	Customer Contracts	Technology Platforms	Total
Group							
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**
Opening balance Jan. 1, 2015	480,724	193,821	73,240	98,563	124,735	17,993	989,076
Internally developed assets		35,609					35,609
Other investments			7,739	2,021			9,760
Divestments			-1,042				-1,042
Exchange rate differences for the year	10,922	-3	-17	1,846	951	767	14,466
Closing balance Dec. 31, 2015	**491,646**	**229,427**	**79,920**	**102,430**	**125,686**	**18,760**	**1,047,869**
Accumulated depreciation, amortization and impairment							
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		-22,549	-6,576	-4,318	-10,255	-1,443	-45,141
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**
Opening balance Jan. 1, 2015		-126,750	-31,373	-42,233	-77,900	-9,656	-287,912
Amortization in the year		-17,742	-7,147	-5,971	-9,149	-1,719	-41,728
Divestments			1,042				1,042
Exchange rate differences for the year				-282		-668	-950
Closing balance Dec. 31, 2015		**-144,492**	**-37,478**	**-48,486**	**-87,049**	**-12,043**	**-329,548**
Carrying amounts							
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
As of Jan. 1 , 2015	480,724	67,071	41,867	56,330	46,835	8,337	701,164
As of Dec. 31, 2015	491,646	84,935	42,442	53,944	38,637	6,717	718,321

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 and 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, 2014	65,416
Other investments	5,158
Closing balance Dec. 31, 2014	**70,574**
Opening balance Jan. 1, 2015	70,574
Other investments	7,525
Closing balance Dec. 31, 2015	**78,099**
Accumulated amortization and impairment	
Opening balance Jan. 1, 2014	-22,596
Amortization in the year	-6,444
Closing balance Dec. 31, 2014	**-29,040**
Opening balance Jan. 1, 2015	-29,040
Amortization in the year	-6,945
Closing balance Dec. 31, 2015	**-35,985**
Carrying amounts	
As of Jan. 1, 2014	42,820
As of Dec. 31, 2014	41,534
As of Jan. 1, 2015	41,534
As of Dec. 31, 2015	42,114

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	2015	2014
IAS	220,551	213,883
IDC	271,095	266,841
Total goodwill value in group	**491,646**	**480,724**

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 for the coming financial year.

The forecast cash flows for a total of 5 years beyond 2015 have been based on yearly growth of revenues of -14% – +2% (0–2%) and expenses of 0–2% (0–2%). Perpetual growth of revenue and expenses of 1% (2) has been assumed subsequently.

The present value of forecast cash flows has been calculated by applying a discount rate of 12% (13) 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 based on an unchanged composition of the product portfolio from 2016 onwards.
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 2015 have been based on yearly growth of revenues of 10% (0–2%) and expenses of 10% (0–2%). 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 12% (13) 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:

IAS

	2015	2014
Discount rate	+1%	+2%
Sales growth	-1%	-2%

IDC

	2015	2014
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	2015	2014
IAS	32,857	33,925
IDC	51,777	33,146
Total value of capitalized development expenditure, group	**84,634**	**67,071**

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:

	2015	2014
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

SEK 000	Group: Buildings and Land	Group: Plant and Machinery	Group: Equipment, Tools, Fixtures and Fittings	Group: Total	Parent Company: Equipment, Tools, Fixtures and Fittings
Cost					
Opening balance Jan. 1, 2014	50,102	19,082	122,704	191,888	8,749
Other purchases	116	6,620	10,541	17,277	94
Divestments	-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**
Opening balance Jan. 1, 2015	52,715	26,610	142,148	221,473	8,801
Other purchases	2,847	2,728	15,708	21,283	258
Divestments	-44	-8,906	-16,740	-25,690	-30
Exchange rate differences	-120	794	1,744	2,418	
Closing balance Dec. 31, 2015	**55,398**	**21,226**	**142,860**	**219,484**	**9,029**
Amortization					
Opening balance Jan. 1, 2014	-20,721	-11,607	-80,393	-112,721	-7,700
Amortization in the year	-1,398	-2,559	-15,921	-19,878	-403
Divestments	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**
Opening balance Jan. 1, 2015	-22,537	-14,711	-100,583	-137,831	-8,061
Amortization in the year	-1,502	-2,747	-17,336	-21,585	-326
Divestments	44	8,516	16,344	24,904	30
Exchange rate differences	237	-696	-1,020	-1,479	
Closing balance Dec. 31, 2015	**-23,758**	**-9,638**	**-102,595**	**-135,991**	**-8,357**
Carrying amount					
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
As of Jan. 1, 2015	30,178	11,899	41,565	83,642	740
As of Dec. 31, 2015	31,640	11,588	40,265	83,493	672

Of group amounts reported as of December 31, 2015, 10,352,000 SEK (11,696,000) relates to assets via financial leasing contracts.

Note 14

Participations in group companies

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Accumulated cost		
At beginning of year	383,385	383,385
Acquired companies		
Incorporated companies		
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, 2015	Dec. 31, 2014
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, Helsingfors	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, Southhampton	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, 2015	Dec. 31, 2014
Group		
Carrying amount at beginning of year	73,585	73,585
Share of associated company profit [a]	-3,800	
New issue	2,809	
Carrying amount at end of year	**72,594**	**73,585**

a Share of associated company profit after tax and minority share in associated company.

Company, Reg. Office

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Carrying amount		
HCA Participações S.A., Sao Leopoldo, Brazil	72,594	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. HCA Participações S.A. completed a new issue in 2015, Beijer Electronics' ownership holding totaled 21.96% as of December 31, 2015.

Altus develops and manufactures high-technology control systems.

Note 16

Long-term receivables from Group companies

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Parent company		
Accumulated cost		
At beginning of year	300,046	339,908
Additional receivables		9,024
Amortization for the year	-17,107	-73,823
Currency differences for the year	7,679	24,937
Carrying amount at end of period	**290,618**	**300,046**

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 0.39–2.32% (0.48–5.00).

Note 17

Other long-term receivables

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Group		
Accumulated cost		
At beginning of year	3,972	2,072
Additional receivables	116	937
Amortization/reclassification for the year	-1,945	-336
Exchange rate differences for the year	14	1,299
Carrying amount at end of period	**2,157**	**3,972**

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, 2015	Dec. 31, 2014
Group		
Raw materials and consumables	103,575	90,462
Finished goods and goods for resale	74,329	90,735
Work in progress	8,305	6,523
Advance payments to suppliers	571	74
Goods in transit	3,221	1,799
	190,001	**189,593**

Note 19

Accounts receivable and other current receivables

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Group		
Accounts receivable	196,116	209,854
Provision for doubtful debt	-2,822	-3,196
Accounts receivable – net	**193,293**	**206,658**
Other receivables	13,637	20,305
Prepaid expenses and accrued Income	18,976	17,610
	225,906	**244,573**

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 243,000 SEK (212,000). 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.

The group is not dependent on major customers. The group has no single customer that provides more than 10% of total group sales.

Reported amounts, by currency, relating to the group's Accounts receivable and other receivables are as follows:

SEK 000	Dec. 31, 2015	Dec. 31, 2014
EUR	70,825	61,574
USD	56,958	57,764
NOK	8,276	11,085
DKK	7,434	9,800
NTD	21,277	17,042
GBP	9,996	11,828
SEK	38,154	52,507
Other currencies	12,986	22,973
	225,906	**244,573**

Prepaid Expenses and Accrued Income

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Group		
Rents	4,026	4,026
Insurance	884	1,004
Lease payments	1,757	1,364
Bank charges		743
IT charges	1,158	454
Other items	11,151	10,019
	18,976	**17,610**
Parent Company		
Rents	2,120	2,520
Insurance	641	538
Lease payments	276	118
Bank charges		743
IT charges	1,158	454
Other items	608	534
	4,803	**4,907**

Note 20

Earnings per share

SEK 000	2015	2014
Net profit	23,957	61,725
Number of outstanding shares	19,068	19,068
Earnings per share, SEK	**1.26**	**3.24**
Dividends paid per share, SEK[a]	**1.25**	**1.25**

a Proposed dividend for 2015 is 1.25 SEK.

Note 21

Untaxed reserves

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Parent company		
Tax allocation reserves		
Provision for taxation 2010		1,050
		1,050

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.

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Group		
Long-term liabilities		
Pension provisions	84,569	90,989
Bank loans	370,000	340,000
Finance lease liabilities	6,790	7,345
Other interest-bearing liabilities		272
	461,359	**438,606**
Current liabilities		
Overdraft facility	134,121	157,422
Short-term portion of bank loans	10,036	40,019
Short-term portion of finance lease liabilities	3,937	5,241
Other interest-bearing liabilities		14,309
	148,094	**216,991**

Finance Lease Liabilities

Finance lease liabilities become due for payment as follows:

SEK 000	Minimum Lease Payments	Interest	Principal
Group 2015			
Within one year	3,130	281	2,850
Between one and five years	3,570	187	3,382
	6,700	**468**	**6,232**
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**

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 according to the definitions indicated below.

Total leverage

Total leverage according to the Credit Terms for 2015 is defined as interest-bearing liabilities, excluding provisions for pension obligations, less cash and cash equivalents in relation to operating profit before depreciation and amortization.

Total leverage according to the Credit Terms 2014 is defined as interest-bearing liabilities, including provisions for pension obligations at a fixed value of 42,708,000 SEK, less cash and cash equivalents in relation to operating profit before depreciation and amortization.

Total leverage may not exceed 3.50 (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 (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.

Note 23

Liabilities to credit institutions

SEK 000	2015-12-31	2014-12-31
Parent Company		
Long-term liabilities		
Bank loans	370,000	340,000
	370,000	**340,000**
Current liabilities		
Overdraft facility	133,809	156,482
Short-term portion of bank loans	10,000	40,000
	143,809	**196,482**

Note 24

Pension provisions, etc.

Defined-benefit Obligations

SEK 000	2015	2014
Group		
Defined-benefit obligations		
Present value of funded obligations	18,826	19,671
Fair value of plan assets	-13,841	-14,565
Deficit in funded plans	**4,985**	**5,106**
Present value of unfunded plans	79,584	85,883
Net amount in Balance Sheet	**84,569**	**90,989**
The net amount is divided between plans in the following countries:		
Sweden	79,212	84,827
Taiwan	5,357	6,162
Net amount in Balance Sheet	**84,569**	**90,989**

	2015	2014
Plan assets are divided into the following components:		
Shares	51%	48%
Bonds and fixed-income funds	27%	25%
Bank balances	18%	19%
Other	4%	8%
Total plan assets	**100%**	**100%**

Pension Expense

SEK 000	2015	2014
Defined-benefit plans		
Expense for pensions accrued in the year	4,249	3,696
Return on plan assets	-265	-221
Interest expense	3,217	3,055
Expense for defined-benefit plans	**7,201**	**6,530**
Expense for defined-contribution plans	26,369	19,708
Payroll tax and tax on profits	3,566	3,140
Total expense, defined-contribution plans	**29,935**	**22,848**
Total expense for remuneration after terminated employment	**37,136**	**29,378**

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	2015	2014
Amount at beginning of year	90,989	71,532
Expense for defined-benefit plans	7,201	6,530
Contributions from employees	-1,278	-1,260
Disbursement of benefits	-827	-636
Actuarial revaluation, demographic assumptions		-331
Actuarial revaluation, financial assumptions	-11,342	14,419
Translation difference	-175	734
Amount at the end of year	**84,569**	**90,989**

Actuarial assumptions

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

SEK 000	2015	2014
Discount rate, %	3.14	3.14
Future salary increases, %	3.04	3.50
Inflation, %	1.63	2.00
Staff turnover, %	6.13	6.34
Expected remaining lifespan after pensionable age 65	23.21	23.22
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, 2015 is stated below.

Adjusted discount rate (percentage point)	-0.50%	+0.50%
Present value of commitment (+ increase / - decrease)	10,354	-8,876
Adjusted salary growth (percentage points)	-0.50%	+0.50%
Present value of commitment (+ increase / - decrease)	-2,918	3,456
Adjusted inflation expectations (percentage points)	-0.50%	+0.50%
Present value of commitment (+ increase / - decrease)	-6,733	7,658
Adjusted term (years)	-1 year	+1 year
Present value of commitment (+ increase / - decrease)	-2,661	2,639

Estimate for the coming financial year

SEK 000	2016
Defined-benefit obligations	
Expense for pensions accrued in the year	4,085
Return on plan assets	-189
Interest expense	2,943
Total	**6,839**

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, 2015			
Property, plant and equipment	2,861	6,337	-3,476
Intangible assets		41,464	-41,464
Inventories	6,374		6,374
Pension provisions	10,993		10,993
Untaxed reserves		9,167	-9,167
Other provisions	2,058		2,058
Loss carry-forwards	9,522		9,522
Other	1,301	491	810
Deferred tax liability, net	**33,109**	**57,459**	**-24,350**

SEK 000	Deferred Tax Asset	Deferred Tax Liability	Net
Group Dec. 31, 2014			
Property, plant and equipment	2,861	3,482	-621
Intangible assets		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	Amount at Beginning of Year	Recognized in Income Statement	Reclassification	Posted to Other Comprehensive Income	Exchange Rate Differences	Amount at End of Year
Group						
Property, plant and equipment	-621	-407	-2,448			-3,476
Intangible assets	-39,681	-936			-847	-41,464
Inventories	6,462	-86			-2	6,374
Pension provisions	12,905	1,046		-2,958		10,993
Untaxed reserves	-9,892	725				-9,167
Other provisions	2,482	-424				2,058
Loss carry-forwards	4,719	2,355	2,448			9,522
Other	1,891	-964			-117	810
	-21,735	**1,309**		**-2,958**	**-966**	**-24,350**

Of the group's deferred tax receivables, 5–6 MSEK is expected to be settled in 2016 and of the group's deferred tax liabilities 10-11 MSEK is expected to be settled in 2016.

Note 26

Other provisions

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Opening balance	7,785	7,373
Recognized in Income Statement:		
– additional provisions	6,852	3,484
– reversed unutilized amounts		-188
Utilized in year	-2,544	-3,444
Exchange rate differences	52	560
Closing balance	**12,145**	**7,785**

Of the closing balance for the year, 10,435,000 SEK (6,056,000) relates to guarantee provisions.

Note 27

Accrued expenses and deferred income

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Group		
Accrued salaries and vacation pay	56,509	65,020
Accrued social security expenses	24,451	33,753
Accrued interest		1,042
Other items	24,639	15,734
	105,599	**115,548**
Parent company		
Accrued salaries and vacation pay	8,083	9,253
Accrued social security expenses	4,842	7,281
Accrued interest		1,042
Other items	1,982	1,752
	14,907	**19,328**

Note 28

Financial risks and finance policies

Net debt

Net debt and equity as of December 31, 2015 and 2014 respectively were as follows:

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Interest-bearing liabilities	609,453	655,597
Less: cash and cash equivalents	-116,636	-156,842
Net debt	492,817	498,755
Total equity	**526,940**	**502,887**

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 [b]
Bank loans:					
Bank loan	1.15	91 days	91 days	SEK	300,000
Bank loan	1.15	91 days	91 days	SEK	80,000
Check-kredit [a]	0.80–1.84	91 days		SEK/EUR/USD/NOK/DKK/GBP/SGD	134,121

a The overdraft facility has contracted interest of 0.20% on credit granted.
b The next due date of the bank loans is March 31, 2016. The final maturity date is March 16, 2018.

Transaction exposure

The group's transaction exposure, defined as sales revenue less direct materials expenditure, is divided between the following currencies:

SEK 000	Amount	%
Group 2015		
NOK	81,672	13.3
DKK	44,409	7.3
EUR	249,482	40.8
GBP	57,143	9.3
USD	93,499	15.3
Other currencies	85,844	14.0
	612,049	**100.0**

Translation exposure

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

Currency/Amount, 000	Foreign Currency	Swedish Currency	%
Group 2015			
NTD	1,232,188	314,208	44.9
EUR	7,720	70,525	10.1
NOK	2,346	2,242	0.3
DKK	12,151	14,875	2.1
USD	26,150	218,415	31.2
GBP	1,339	16,577	2.4
CNY	25,650	33,007	4.7
Other currencies		29,259	4.3
		699,108	**100.0**

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 0.80 and 1.84% (0.75–1.77%). The average interest factor for the year is approximately 1.1% (2.2). An interest rate fluctuation of 1% would affect consolidated profit before tax by some 5.1 MSEK (5.5).

Credit risks

Group cash and cash equivalents are divided between the parent company and its subsidiaries, with no single entity holding more than 33% 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 col-lection 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 2015 was 0.2 MSEK (0.2), or 0.02% (0.02) 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, USD, SEK 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 99 MSEK and operating profit by some -10 MSEK, given year-2015 levels and mix of sales and earnings. 85% (82) 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 31 MSEK and 22 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, and can be renewed for 12 months at the end of its term after 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 March 18, 2015, Beijer Electronics entered into a new bank agreement with a contract period of three years.

Capital risk

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, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Pledged Assets	**9,926**	**9,695** [a]	**None**	**None**
Contingent Liabilities				
Guarantee commitments, FPG/PRI	1,027	962 [a]	102	88
Guarantee commitments in favor of subsidiaries[a]			31,589	34,092
Other guarantee commitments	2550	2,465		
Total contingent liabilities	**3,577**	**3,427**	**31,691**	**34,180**

a) The value has been corrected compared to the Annual Report for 2014

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 executives, 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	2015	61,593	-	323,637	127,981
Subsidiaries	2014	61,295	-	326,121	115,034

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

Note 31

Cash flow

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Cash and cash equivalents – group		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	116,636	156,842
Total, Balance Sheet	**116,636**	**156,842**
Total, Cash Flow Statement	**116,636**	**156,842**
Cash and cash equivalents – parent company		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	0	6,591
Total, Balance Sheet	**0**	**6,591**
Total, Cash Flow Statement	**0**	**6,591**

Interest paid and dividend received

	Group		Parent Company	
SEK 000	2015	2014	2015	2014
Dividend received			46,814	53,699
Interest received	768	253	3,818	5,747
Interest paid	-8,602	-17,529	-8,599	-14,845
	-7,834	**-17,276**	**42,033**	**44,601**

Adjustments for items not included in cash flow

	Group		Parent Company	
SEK 000	2015	2014	2015	2014
Depreciation, amortization and impairment	63,313	65,020	7,271	6,847
Pension provisions	4,753	5,742	741	598
Other provisions	4,361	412		
Other	-7,515	-6,868		
	64,912	**64,306**	**8,012**	**7,445**

Unutilized credit facilities

	Group		Parent Company	
SEK 000	2015	2014	2015	2014
Unutilized credit facilities amount to	116,191	42,578	116,191	42,578

Note 32

Other liabilities

SEK 000	Dec. 31, 2015	Dec. 31, 2014
Group		
Other long-term liabilities		
Present value, additional purchase consideration	1,690	3,906
Other long-term liabilities	5,100	7,617
	6,790	**11,523**
Other current liabilities		
Present value, additional purchase consideration		15,225
Other current liabilities	26,055	25,353
	26,055	**40,578**

The reported additional purchase consideration for 2015 relate to the acquisition of Petek Teknoloji (now Beijer Elektronik ve Tic. A.). The reported additional purchase consideration for 2014 relate to the acquisition of Petek Teknoloji (now Beijer Elektronik ve Tic. A.?) 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 consideration 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 consideration is set to vary between 0 and 3,527,000 calculated on the basis of the TRY/USD exchange rate at year end. The additional purchase consideration is conditional on the acquired company's sales and operating profit in 2016, in accordance with an extension of the agreement previously based on the company's sales and operating profit in 2015. Payment of the additional purchase consideration will be made in February 2017.

Note 33

Subsequent events

In connection with the publication of the Year-end Report for 2015, the group announced a restructuring program in the IAS business area to be implemented in 2016. The aim is to reduce costs by 50 MSEK annually, of which some 30 MSEK will take effect in 2016. The costs of the program are estimated at 50 MSEK and will be posted to profit in 2016.

The companies in Finland, Estonia, Latvia and Lithuania were divested after year-end. The divestments did not generate capital gains.

Note 34

Parent company

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

The Consolidated Accounts for 2015 include the parent company and its subsidiaries, collectively termed the group. The group also includes participations in associated companies.

Corporate Governance Report 2015

Beijer Electronics AB is a Swedish public limited company quoted on NASDAQ OMX Nordic Stockholm Small Cap List, under the ticker symbol 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 2015 has been prepared in accordance with the Code's recommendations, and Beijer Electronics is reporting an instance of non-compliance with the Code for 2015. Clause 7.2 of the Code stipulates that the Audit Committee shall consist of a minimum of three Board members. The Board of Directors judges that two members is sufficient to effectively manage Beijer Electronics' most important risk and audit matters. The current members are both non-affiliated to the company, management and major shareholders, and have lengthy and extensive experience of these areas in other listed companies.

The company's Auditors have performed a statutory review of the Corporate Governance Report.

Shareholders and Articles of Association

There were 3,547 (3,379) 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% (12) 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 76–77. Information on shareholders is updated semi-annually and is also available at the group's website, www.beijerelectronics.com/ir.

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 2015

Beijer Electronics' AGM was held on April 22, 2015. 111 shareholders attended the Meeting personally or by proxy, representing some 69% 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 2014. Beijer Electronics' interim CEO and President Anna Belfrage reviewed significant events in 2014 and the company's progress in the first quarter of 2015. Lars-Ola Lundkvist, Westermo's CEO, presented the subsidiary's historical growth in 2014 and progress in the first quarter 2015. The Auditors reported their observations of the company's accounting records and administration to the Meeting, and presented a review of 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 2014, in accordance with the Board of Directors' proposal.
- The Board of Directors shall consist of six (6) members with no deputies.
- To re-elect the Board members Ulrika Hagdahl, Anders Ilstam, Maria Khorsand, Bo Elisson and Christer Öjdemark in accordance with the Nomination Committee's proposal. Bert Åke Eriksson declined re-election.
- To elect Johan Wester as new Board member 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 the Board of Directors' proposed guidelines for remunerating senior executives.
- 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.

Nomination Committee for the AGM 2016

The Nomination Committee was presented on October 6, 2015 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 2015), 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 two meetings where minutes were taken. A number of informal telephone and email discussions were also held. All Board members have been interviewed by the Nomination Committee. The Nomination Committee also reviewed the results of the evaluation of the Board of Directors undertaken in order to improve the Board's working methods and effectiveness.

Name	Owner's Representative Of	Share of Votes Aug. 31, 2015
Martin Svalstedt	Stena Sessan	29.79%
Claes Murander	Lannebo Fonder (Lannebo Micro Cap, Lannebo Micro Cap II)	14.18% (9.09% + 5.09%)
Per Trygg	SEB Fonder (SEB Investment Management, SEB Micro Cap Fund)	13.89% (7.24% + 6.65%)
Arne Lööw	Fjärde AP-fonden	6.05%
Anders Ilstam, Chairman of the Board		
Total		**63.91%**

In its work on appointing the Board of Directors 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 of Directors 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 demands made by the company's strategic development, international operations, governance, control and monitoring on 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 26, 2016. The Nomination Committee proposes that the Board of Directors consist of six members. The Nomination Committee is proposing that Maria Khorsand, Ulrika Hagdahl, Bo Elisson, Christer Öjdemark, Johan Wester and Anders Ilstam are re-elected as Board members. 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 2015, Beijer Electronics AB's Board of Directors had six 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 71.

The role of the Chairman of the Board

Apart from leading the Board of Directors' work, the Chairman of the Board of Beijer Electronics 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, 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. In addition, a formal appraisal is conducted led by the Chairman of the Board. In 2015, the appraisal was completed in the form of a survey presented to each Board member. Board members sent their responses to an external party, independent of the Board of Directors and the company, who collated the answers. The appraisal was then presented to the Chairman and to other Board members in connection with the Board meeting in December.

Work of the Board in 2015

In the financial year 2015, the Board of Directors held eight (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 two other occasions.

Remuneration Committee

The Remuneration Committee is appointed yearly by 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 executives 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 2015, the members of the Remuneration Committee were Anders Ilstam and Johan Wester. In the financial year 2015, the Remuneration Committee held one (1) meeting where minutes were taken. Guidelines for remunerating senior executives for the financial year 2016 will be approved at the AGM in April.

Audit Committee

The Audit Committee includes Maria Khorsand and Christer Öjdemark, with Christer Öjdemark acting as Chairman. 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 2015

In 2015 the Chief Executive Officer of the parent company, also President of the group, and other senior executives drew basic salary and other benefits that are reported in Note 7, page 46–47. Other senior managers mean the eight people that made up group management in 2015 alongside the Chief Executive Officer.

Remuneration to the CEO

Apart from contracted basic salary, from the financial year 2016 onwards 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 company has provisioned an amount corresponding to 12 months' salary and benefits for Anna Belfrage who was interim CEO and President up until the end of September 2015, in accordance with the terms and conditions of her employment contract.

Remuneration to other senior executives

Other senior executives 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 executives 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 executives. 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 executives 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 2015.

Directors' fees

The Directors' fees resolved by the AGM in April 2015 were 1,625,000 (1,625,000) SEK in 2015 and are allocated according to the table on page 46.

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.

Senior Executives currently consists of the Chief Executive Officer, four Regional Directors, the Operations Director, the CFO, the HR Director and the CEO of Westermo.

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 senior executives, see the group's website and page 73.

In 2015, Westermo reported to a dedicated Executive Board for the company which includes two members of Beijer Electronics' Board of Directors and the CEO as Chairman.

Business areas

Beijer Electronics' operations are organized into two business areas, IAS and IDC. In terms of external reporting, the group's operations are also divided into these two business areas.

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. The company's Auditors participate in Board meetings and special meetings with the Audit Committee, which enables Board members to ensure that internal control is satisfactory and that reporting to the Board is effective.

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. The CEO presents a financial report to the Board of Directors at least once monthly, presented in a manner specified by the Board of Directors in advance. This enables the Board of Directors to monitor any divergences in terms of reporting or content.

Work of the Board of Directors in 2015

			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		1/1	9/9	550,000*	no	no
Bo Elisson	2013	Member			9/9	225,000	no	no
Bert Åke Eriksson	2002	Member			3/9		no	yes
Ulrika Hagdahl	2006	Member			9/9	225,000	no	no
Maria Khorsand	2010	Member	2/2		9/9	255,000**	no	no
Christer Öjdemark	2013	Member	2/2		9/9	275,000*	no	no
Johan Wester	2015	Member		1/1	6/9	255,000**	no	yes

**Of which 50,000 SEK for Committee work.*
***Of which 30,000 SEK for Committee work.*

The fees indicated in the above table refer to fees authorized by the AGM in April 2015.
Bert Åke Eriksson resigned and Johan Wester was elected in connection with the AGM 2015.
Board members Ulrika Hagdahl and Bo Elisson charged 375,000 SEK and 500,000 SEK respectively for consulting assignments in the subsidiary Westermo.

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 reporting manual and audit manual, including instructions for each financial statement. Beijer Electronics has an established control structure to manage the risks the Board of Directors 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 guidelines for the group's behavior in society in order to ensure its long-term value-creating ability. 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 26, 2016.

Malmö, Sweden, March 21, 2016

Anders Ilstam
Chairman

Christer Öjdemark

Maria Khorsand

Bo Elisson

Ulrika Hagdahl

Johan Wester

Per Samuelsson
President and CEO

Our Audit Report was presented on March 23, 2016
PricewaterhouseCoopers AB

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 Skandinavien Enviro Systems AB, Cycleurope 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: 13,859 shares.

Bo Elisson

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

Principal occupation: Directorships
Other assignments: Chairman of Empower Oy in Finland.
Education: M.Sc. (Eng.), Chalmers Institute of Technology.
Work experience: Extensive experience from ASEA/ABB, including as Business Area Manager of ABB Robotics. Previously Chairman of Flexlink AB and ADB Airfield Solutions in Belgium.
Holdings in Beijer Electronics AB: 15,000 shares.

Christer Öjdemark

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

Principal occupation: Directorships
Other assignments: Board member of Envac AB.
Education: M.Sc., University of Linköping
Work experience: Active for many years in companies including BT Industries and Danfoss.
Holdings in Beijer Electronics AB: 10,000 shares.

Maria Khorsand

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

Principal occupation: CEO of SOS Alarm Sverige AB.
Other assignments: Board member of SLU Sveriges Lantbruksuniversitet and SOS-Alarm Sweden AB.
Education: M.Sc. Computer Science.
Work experience: Various directorships at SP Sveriges Tekniska Forskningsinstitut, Ericsson, OMX Technology and Dell Sweden AB.
Holdings in Beijer Electronics AB: No.

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.), Royal Institute of Technology, Stockholm.
Work experience: Founder of Orc Software AB, formerly CEO and Board member.
Holdings in Beijer Electronics AB: 30,000 shares through companies.

Johan Wester

Gothenburg, Sweden. Born in 1966.
Board member since 2015.

Principal occupation: Investment Director of Stena Adactum.
Other assignments: Board member of Midsona, S-Invest and Stena Renewable Energy.
Education: M.Sc. (Eng.), Industrial Economics, Chalmers Institute of Technology.
Work experience: Arthur D. Little, Accenture and Flexlink, mainly in supply chain management, strategy and business development.
Holdings in Beijer Electronics AB: 950 shares through family.

Information on Board members' non-affiliation/affiliation to the company and major shareholders is in the Corporate Governance Report on page 69.

Auditor

PricewaterhouseCoopers AB.
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 2015 with the exception of the Corporate Governance Report on pages 66–69. The Annual Accounts and Consolidated Accounts of the Company are included in the printed version of this document on pages 24–70.

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, 2015 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, 2015 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 66–69. 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 2015. 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 66–69 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, 2016 – **PricewaterhouseCoopers AB**

Magnus Jönsson
Authorized Public Accountant

Senior Executives

Per Samuelsson *Born in 1957*
President and CEO
With Beijer Electronics since September 2015.

Holdings in Beijer Electronics AB: 20,000 shares.

Other assignments: Chairman of BTJ Sverige AB and Directorships in Aniagra and Priveq.

Joakim Laurén *Born in 1963*
CFO
With Beijer Electronics since January 2016.

Holdings in Beijer Electronics AB: 8,000 shares.

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

Holdings in Beijer Electronics AB: 1,100 shares.

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

Holdings in Beijer Electronics AB: 3,700 shares.

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

Holdings in Beijer Electronics AB: 1,181 shares.

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

Holdings in Beijer Electronics AB: 1,430 shares.

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

Holdings in Beijer Electronics AB: 5,000 shares.

Lars-Ola Lundkvist *Born in 1961*
CEO of Westermo
With Beijer Electronics since 2008.

Holdings in Beijer Electronics AB: 10,412 shares.

Former executives

Anna Belfrage, interim President and CEO from September 2014, left her position on August 31, 2015.
Joakim Nideborn, interim CFO since September 2014, left his position on 29 February 2016.
Mark Hendel, VP Sales Americas, left his position in February 2016. Tim Webster is interim VP until Stefan Lager takes up his office in April 2016.

New executives

Stefan Lager takes up his position as VP Europe and VP Sales Americas in April 2016.

Five-year Summary

SEK 000	2015	2014	2013	2012	2011
Income Statement					
Net sales	1,374,575	1,401,578	1,376,187	1,367,163	1,417,705
Other operating revenue and operating expenses*	9,656	40,579	1,509	-2,423	349
Operating expenses**	-1,332,031	-1,328,545	-1,290,329	-1,265,200	-1,267,784
Operating profit	**52,200**	**113,612**	**87,367**	**99,540**	**150,270**
Net financial income/expense	-8,860	-16,831	-15,493	-26,419	-17,292
Profit before tax	**43,340**	**96,781**	**71,874**	**73,121**	**132,978**
Estimated tax	-19,523	-34,090	-27,508	-19,765	-33,854
Net profit	**23,817**	**62,691**	**44,366**	**53,356**	**99,124**
Attributable to parent company shareholders	*23,957*	*61,725*	*44,218*	*49,939*	*95,288*
Attributable to minority interests	*-140*	*966*	*148*	*3,417*	*3,836*
**of which non-recurring items*		*32,936*			
***of which non-recurring items*	*-7,325*	*-16,662*	*-5,633*		

	2015	2014	2013	2012	2011
Balance Sheet					
Assets					
Fixed assets	909,674	894,763	850,863	776,692	804,954
Current assets	426,694	444,865	458,020	518,834	502,405
Cash and cash equivalents and short-term investments	116,636	156,842	147,926	128,469	178,258
Total assets	**1,453,004**	**1,496,470**	**1,456,809**	**1,423,995**	**1,485,617**
Equity and liabilities					
Equity attributable to parent company shareholders	520,963	496,531	391,363	384,400	394,708
Non-controlling interest	5,977	6,356	4,800	21,316	18,886
Long-term liabilities	530,963	504,430	544,766	545,613	618,329
Current liabilities	395,101	489,153	515,880	472,666	453,694
Total equity and liabilities	**1,453,004**	**1,496,470**	**1,456,809**	**1,423,995**	**1,485,617**
Of which interest-bearing liabilities	*609,453*	*655,597*	*707,776*	*650,091*	*633,929*
Key Financial Ratios					
Operating margin, %	3.8	8.1	6.3	7.3	10.6
Operating margin before non-recurring items, %	4.3	6.9	6.8	7.3	10.6
Profit margin, %	1.7	4.5	3.2	3.9	7.0
Equity ratio, %	36.3	33.6	27.2	28.5	27.8
Equity per share, SEK [a]	27.3	26.0	20.5	20.2	20.7
Earnings per share, SEK [a]	1.26	3.24	2.32	2.62	5.00
Return on equity after tax, %	4.6	13.9	11.1	13.0	26.1
Return on capital employed, %	4.8	10.3	8.8	9.6	16.2
Return on net operating assets, %	7.4	17.7	14.0	15.1	20.9
Average number of employees	752	760	776	752	731

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

	2015	2014	2013	2012	2011
Cash Flow Statement					
Cash flow from operating activities before change in working capital	78,676	115,582	115,803	93,331	160,514
Change in working capital	5,983	21,063	92,107	6,447	-104,028
Cash flow from investing activities	-79,965	-60,093	-140,871	-49,778	-108,906
Cash flow from financing activities	-23,246	-56,687	-20,187	-53,421	159,715
Dividend paid	-23,834	-23,834	-23,668	-43,503	-37,968
Change in cash and cash equivalents	**-42,386**	**-3,969**	**23,184**	**-46,924**	**69,327**
Cash and cash equivalents at beginning of year	156,842	147,926	128,469	178,258	105,064
Exchange rate difference in cash and cash equivalents	2,180	12,885	-3,727	-2,865	3,867
Cash and cash equivalents at end of year	**116,636**	**156,842**	**147,926**	**128,469**	**178,258**

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, 2015. 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 54.50 SEK on December 31, 2015, against 52 SEK at year-end 2014, implying an increase of 4.8% in the year. In the same period, the Stockholm Stock Exchange's broad-based index OMXS increased by 6.6%. The Beijer Electronics share traded at a high of 68 SEK and a low of 47.20 SEK in the year. Share turnover was 3.2 million shares, or 17% of the total number of shares. In value terms, share turnover was 182 MSEK.

Earnings per share

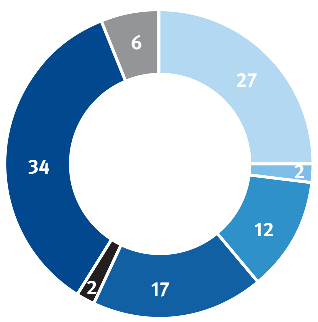
Earnings per share after tax was 1.26 SEK (3.24).

Dividend

The Board of Directors proposes a dividend of 1.25 SEK (1.25) for the financial year 2015. Dividends are 99% (39) of profit after tax. The dividend is 4.6% (4.8) of equity per share. The proposed dividends imply a dividend yield of 2.3% (2.4) as of the closing price at year-end 2015.

Shareholder Categories, Share of Equity

Source: Euroclear



Share Data, three years

	2015	2014	2013
Earnings per share, SEK	1.26	3.24	2.32
Dividend, SEK [a]	1.25	1.25	1.25
Pay-out ratio, %	99	39	54
Equity per share, SEK	27.3	26.0	20.5
Return on equity, %	4.6	13.9	11.1
Closing price, SEK	54.50	52.00	67.50
No. of shares, million	19.1	19.1	19.1
Market cap., MSEK	1,039	992	1,287

a The amount for 2015 is proposed dividend.

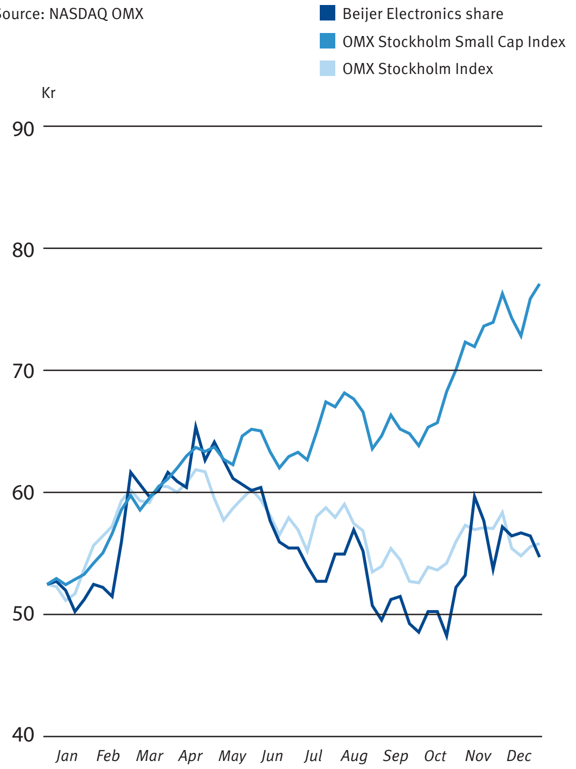
Ownership by Size of Shareholdings as of December 30, 2015

Source: Euroclear

Holding	No. of Shareholders	No. of Shares	Holding, %	Votes, %	Market Value, SEK 000
1–500	2,406	353,516	1.85	1.85	19,267
501–1 000	473	362,910	1.90	1.90	19,779
1 001–5 000	503	1,118,700	5.87	5.87	60,969
5 001–10 000	76	533,350	2.80	2.80	29,068
10 001–15 000	30	386,674	2.03	2.03	21,074
15 001–20 000	8	139,821	0.73	0.73	7,620
20 001–	38	16,172,615	84.82	84.82	881,408
Total	**3,534**	**19,067,586**	**100.00**	**100.00**	**1,039,183**

Stock Index

Source: NASDAQ OMX



Shareholders as of December 30, 2015

Source: Euroclear

	No. of Shares and Votes	Proportion, %
Stena Sessan Rederi AB	5,680,116	29.79
Lannebo Fonder	2,835,486	14.87
SEB Fonder	2,648,027	13.89
Fjärde AP-fonden	1,153,528	6.05
Nordea Investment Funds	518,405	2.72
T. Bjurman, family holdings and companies	412,850	2.17
Didner & Gerge Fonder Aktiebolag	386,320	2.03
Humle Kapitalförvaltning AB	311,557	1.63
Bengt Bergström	221,000	1.16
AMF Försäkring och Fonder	213,046	1.12
Total shareholders with a holding of more than 210,000 shares, 10	**14,380,335**	**75.42**
Other shareholders, 3,537	**4,687,251**	**24.58**
Total, 3,547	**19,067,586**	**100.00**

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 and amortization) in relation to average net operating assets.

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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 Tuesday, April 26, 2016 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 on Wednesday, April 20, 2016;
- Second, notify the company of their intention to participate, and assistants they may wish to bring, by no later than Wednesday, April 20, 2016.

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.com/ir, by telephone on +46 (0)40 35 86 44, by e-mail to arsstamma@beijerelectronics.com 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. Such reregistration must have been effected through Euroclear Sweden AB by no later than April 20, 2016.

Dividend

The Board of Directors is proposing an ordinary dividend of 1.25 SEK per share for the financial year 2015. The proposed record date for the dividend is April 28, 2016. Dividends are scheduled for payment via Euroclear Sweden AB on May 3, 2016.

Financial Information 2016

April 26, 2016 .... AGM, 4 p.m. at Malmö Börshus
April 26, 2016 .... Three-month Interim Report
July 14, 2016 .... Six-month Interim Report
October 20, 2016 .... Nine-month Interim Report

All financial information is uploaded to Beijer Electronics' website www.beijerelectronics.com/ir, 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.com.

Invitation to the Annual General Meeting

AUSTRIA
Wien

BELGIUM
Hellebecq

CHINA
Beijing
Shanghai
Shenzhen

DENMARK
Roskilde

FRANCE
Champlan

GERMANY
Nürtingen
Waghäusel

NORWAY
Bergen
Drammen
Stavanger
Ålesund

SINGAPORE
Singapore

SOUTH KOREA
Seoul

SWEDEN
Göteborg
Jönköping
Malmö
Piteå
Stockholm
Stora Sundby
Västerås

SWITZERLAND
Dietlikon

TAIWAN
Shing-Tien City
Taipei

TURKEY
Istanbul

UNITED KINGDOM
Castle Donington
Southampton

USA
Atlanta, GA
Baltimore, MD
Dallas, TX
Detroit, MI
Elgin, IL
Salt Lake City, UT

Beijer ELECTRONICS

Head office
Beijer Electronics AB (publ)
Box 426, Stora Varvsgatan 13a
201 24 Malmö, Sweden
Corp. ID no. 556025-1851

www.beijerelectronics.com | +46 40 35 86 00