

ANNUAL REPORT 2013



Efficient flow ...



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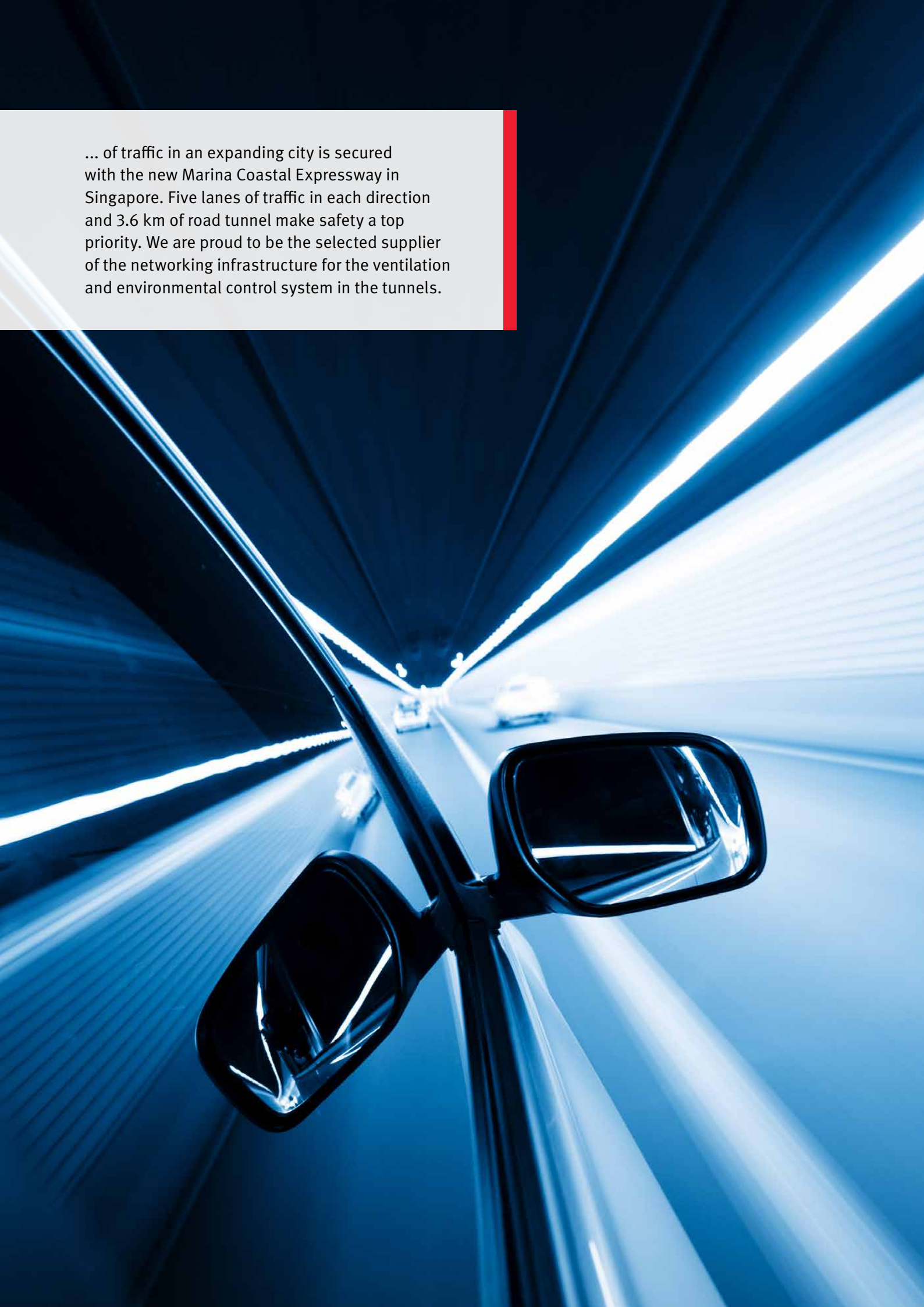
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Istanbul new Beijer Electronics office

The acquisition of Turkish automation company Petek Teknoloji Ltd. provides a direct inroad into a new market for Beijer Electronics' complete product portfolio.



... of traffic in an expanding city is secured with the new Marina Coastal Expressway in Singapore. Five lanes of traffic in each direction and 3.6 km of road tunnel make safety a top priority. We are proud to be the selected supplier of the networking infrastructure for the ventilation and environmental control system in the tunnels.



This is Beijer Electronics

An international group with its roots in Swedish engineering, offices in 22 countries and customers in many more: We are a reliable partner in industrial automation and industrial communication solutions. We innovate and develop cutting-edge technology that brings our customers greater efficiency and lower costs, wherever they are in the world.

One company – three product brands

Beijer Electronics is our company name, which we operate under worldwide. Our products are marketed under both our company name and the brand names Westermo and Korenix.

Business idea

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

Vision

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

Core values

- Commitment
- Drive
- Trust

Competitive strengths

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

Strategic focus areas

- Growth
- People and competences
- Market-driven product development
- Operational excellence

Customers

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

Key events 2013



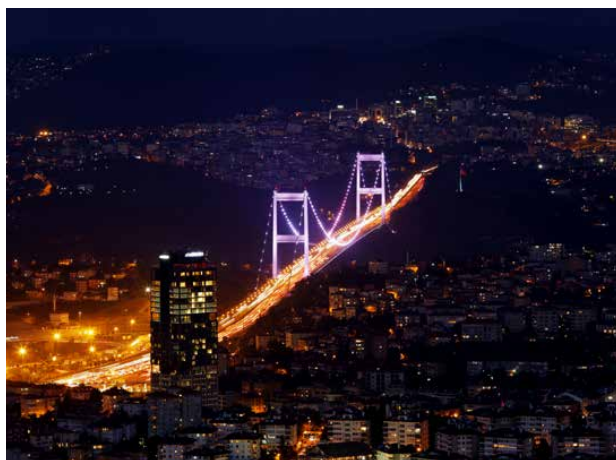
Extensive product launch for a global market

Beijer Electronics' most extensive product launch ever was initiated in the Nordic region with launch events in 50 cities during the third quarter. With this new broadened product offer, we are able to address a wider market both in the Nordic region and on a global basis.



Investment in high-tech automation company

In April 2013, Beijer Electronics acquired a minority stake of fifteen percent in the Brazilian automation company Altus Sistemas de Automação S.A., a company well-recognized for its competence in the area of high-end PLC control. In addition to new products, the strategic partnership provides a strong platform for future growth in South America.



New market opportunities in our 22nd country

Beijer Electronics continued its geographical expansion with the acquisition of Turkish automation company Petek Teknoloji Ltd. in May 2013. The company has represented Beijer Electronics since 2005 and their position as a full range automation supplier provides a direct access to the market for Beijer Electronics' complete product portfolio.

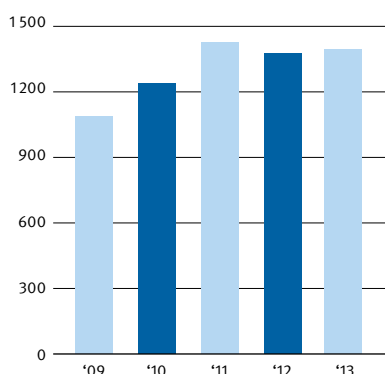


Intensified focus on Train segment

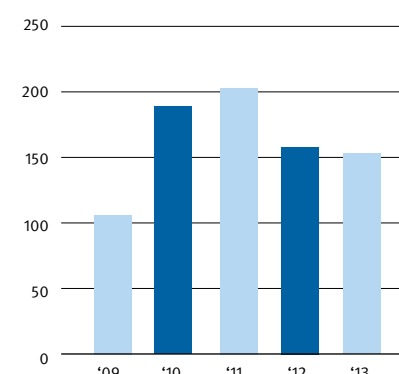
IP technology gains ground within the railway industry and investments are expected to grow. Beijer Electronics is a strategic partner to leading industry players within trackside and onboard train applications. To capitalize on our strong position within train networks, a strategic business unit – SBU Train Networks – was established during the third quarter of 2013.

Key figures 2013

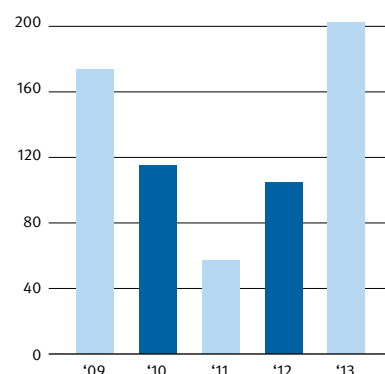
Sales (MSEK)



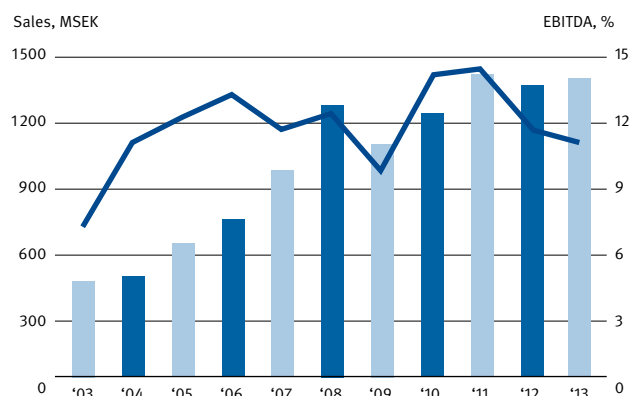
EBITDA (MSEK)



Operating Cash Flow (MSEK)



Group Sales and Profitability, 2003–2013



Key Figures

	2013	2012	2011
Sales, MSEK	1,376.2	1,367.2	1,417.7
EBITDA, %	11.0	11.6	14.3
Operating profit, MSEK	87.4	99.5	150.3
Operating margin, %	6.3	7.3	10.6
Profit after tax, MSEK	44.4	53.4	99.1
Earnings per share, SEK	2.32	2.62	5.00
Dividend per share, SEK	1.25*	1.25	2.25
Equity ratio, %	27.2	28.5	27.8

*The Board's proposed dividend

Key Figures, Employees

	2013	2012	2011
Average number of employees	776	752	731
Sales per employee, MSEK	1.8	1.8	1.9
Operating profit per employee, SEK 000	112.6	132.4	205.6
EBITDA per employee, SEK 000	195.0	211.2	278.1
No. of employees within R&D	117	120	119
Division men/women, %	66/34	69/31	68/32

FOCUS 2014

Going into 2014, we're focusing on increasing sales volumes in our new markets and rolling out the new and broader Beijer Electronics product offering across our sales regions.

“ We’re maintaining a high product development tempo with development expenses of over 100 MSEK, to further consolidate our offering and sharpen our competitiveness. In the fall, we launched a much-expanded own-brand product range for the global market.



CEO'S STATEMENT

Full focus on sharper competitiveness

Beijer Electronics made advances and experienced setbacks in 2013. With largely unchanged sales, we could almost view it as an off year. Strategically, we advanced our positioning in the year for the long term, in market and product terms.

Goal-oriented product development

Forward-looking and customer-oriented product development are the route to success on our market, and we maintained a high tempo of product development in 2013. Our goal-oriented focus on development for specific market segments, such as Train, paid off convincingly in the year. Sales in industrial data communication achieved organic growth of ten percent, and almost half of these sales are now sourced from new products developed in recent years. In the fall, we launched a much-expanded own-brand industrial automation product range on the Nordic market, which will gradually be launched on other markets.

While we made advances in industrial data communication and experienced good sales performance in the US, the year was weaker for the rest of our business. Asian and some European markets – especially the Nordics – made negative progress. Additionally, the launch of our new generation of operator panels was affected by significant production and logistics disruptions, which did cause extra costs.

Strategic collaborations and acquisitions

2013 was another positive year for the units we acquired in the past five years. The growth of Beijer Electronics Inc. (formerly QSI) is especially satisfying, even if we did get a small number of strategic orders for the vehicle segment with fairly low margins in the year, which affected profitability.

On the Nordic markets, we signed a new three-year deal with Mitsubishi Electric. Coincident with this, Beijer Electronics repurchased Mitsubishi Electric's minority share in business area Automation.

We acquired fifteen percent of Altus Sistemas de Automação of Brazil, a high-tech provider of industrial automation control systems. In Turkey, we acquired Petek Teknoloji, a full-range automation vendor with good local market coverage and offshoots in the Middle East.

A sharper organization

We created a global product development, manufacturing and logistics organization in the year for our Industrial Automation business to expand its global collaborations and cut costs. Simultaneously, we sharpened our global marketing and sales infrastructure. Plain and simple, our challenge now is to increase volumes with this global infrastructure as our base.

I'd like to thank all our customers, partners and employees for the past year. The conclusion to 2013 featured cautious growth, and I view the coming year with confidence. With our stronger positioning in organizational, product and market terms, we've got all the potential for a successful 2014.



Fredrik Jönsson
CEO and President

Welcome to our world

On the following pages we want to introduce you to our company and to what makes Beijer Electronics special – to our customers, partners and the people who work here.

WHAT

What is industrial automation?

What is our technology focus?

What is included in our product offering?

Page 12–19



HOW

How do we work toward our vision?

How do we differ from our competitors?

How do we approach the market and build our strategy?

Page 22—29



WHERE

Where do we meet and support our customers?

Where are we and our partners located?

Where do we develop and manufacture products?

Page 32—37

WHAT is the essence of industrial automation?

The process of replacing manual work with automated technical solutions, says the dictionary. A necessary means to efficiently support a growing world population, say the economists. To us at Beijer Electronics, it represents our ambition to give customers all over the world the benefits of higher efficiency, improved working environment, reduced energy consumption and lower costs. And in the long run, a contribution to a better world for all of us to live in.





Automation is all around us

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

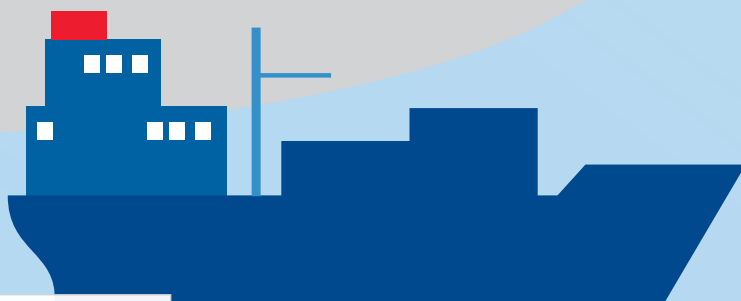
Manufacturing – increased productivity

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



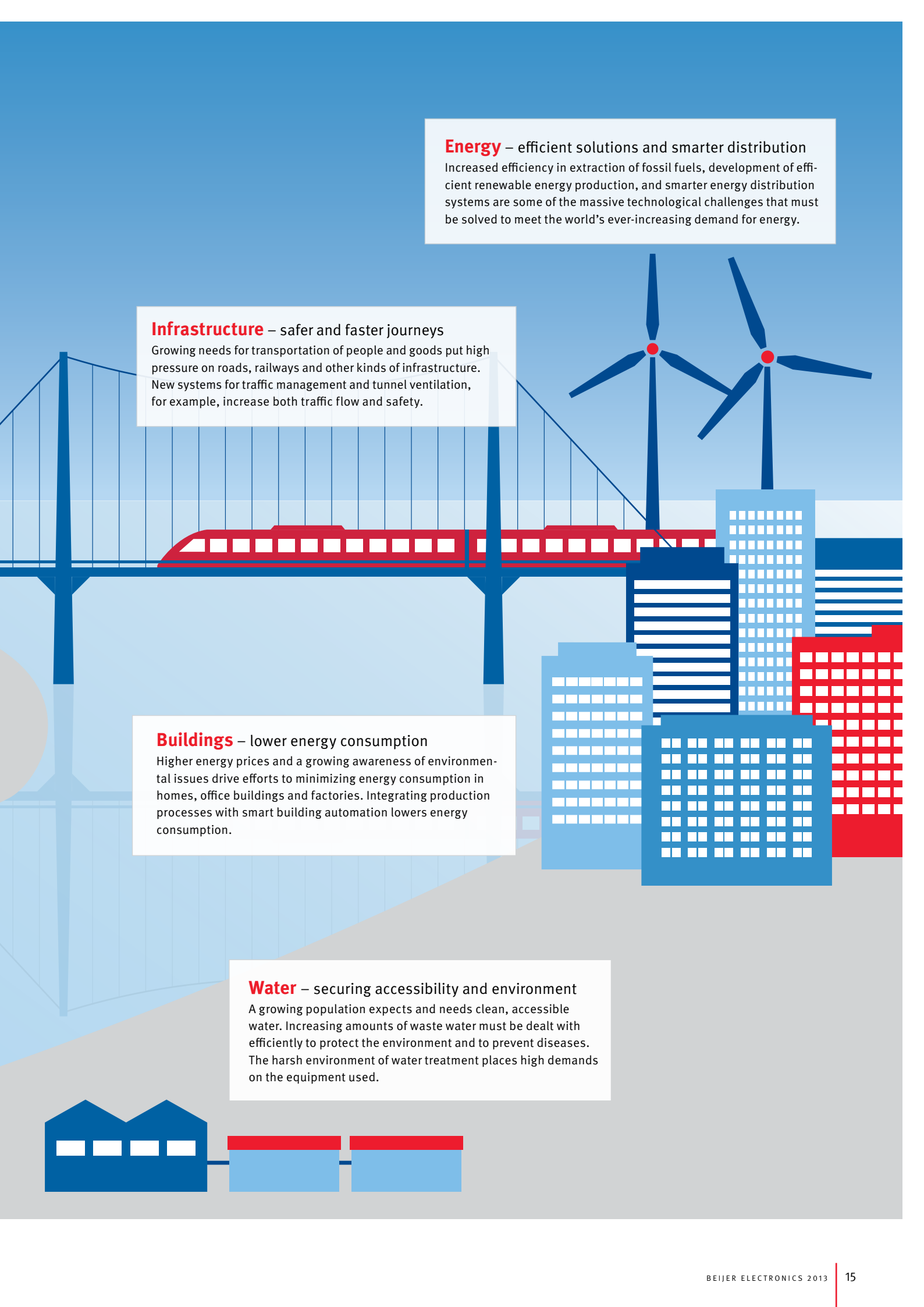
Transportation – smarter and safer connections

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



Marine & Offshore – environment and safety first

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



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

Infrastructure – safer and faster journeys

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

Buildings – lower energy consumption

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

Water – securing accessibility and environment

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

Four **technology** areas

CONTROL

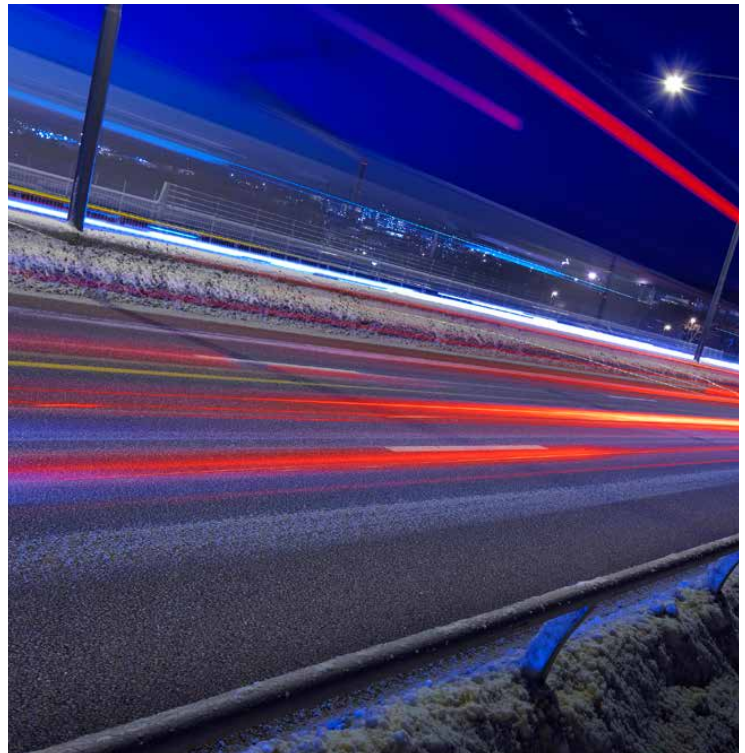


World-class monitoring and control

The control system is the intelligence center of your automation system, controlling and optimizing industrial processes to achieve the highest possible efficiency. We offer one of the world's most extensive control system ranges, from micro and compact systems for smaller machine control to large modular systems for advanced automation facilities, as well as new controller technology such as HMI-based soft controllers and programmable I/O systems.



COMMUNICATE



User-friendly and robust network solutions

Effective network communication is essential in basically any automated system, from factory automation to traffic management and everything in between. Under our Westermo and Korenix brands, we develop and manufacture world leading IP-based communication products such as routers, switches, modems and converters to ensure effective network communication in even the harshest of environments.



Beijer Electronics operates within four technology areas. We provide innovative and reliable solutions that enable customers to control, communicate, visualize and drive applications.

VISUALIZE



Intuitive HMI with the user in focus

The ability to visualize and present data to operators in an intuitive and attractive way is vital for the efficiency of any automated system and is also a competitive factor that helps our customers stand out. We offer a complete range of HMI products, from compact operator panels to industrial PCs and software. The products are used in a wide range of applications, such as manufacturing, marine and in-vehicle solutions.



DRIVE



Drive solutions for precision and profitability

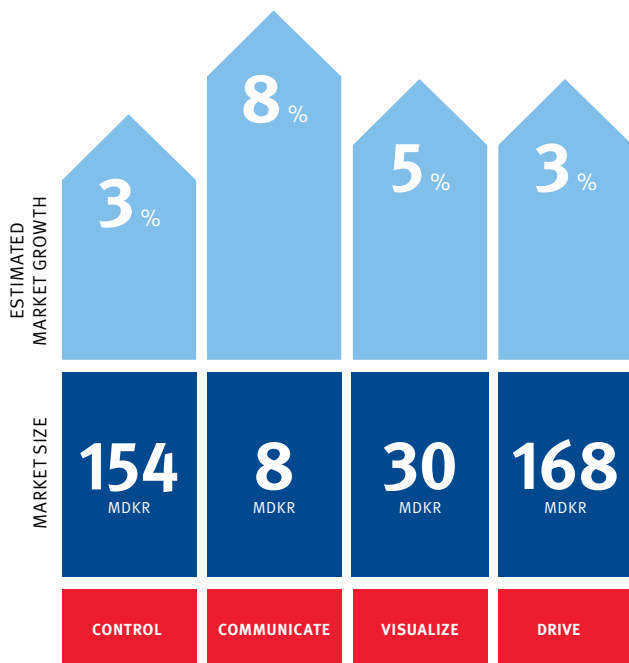
Automated drive solutions increase productivity within industrial processes and prolong the effective lifespan of machines. Significant increases in energy efficiency and reduced maintenance result in lower costs and improve return on investment. Our drive solutions products include soft starters, PLC servo/motion, HMI-based soft motion and a complete offer of frequency inverter technology.



About our market

Market area and size

The global industrial automation market encompasses a myriad of products and services. Beijer Electronics' offer is focused on four areas: control systems, data communication, visualization and drive systems. The recent years' growth activities – establishing new geographic markets and extending the product offering within control and drive systems – give a total addressable market of approximately 360 billion SEK.



Expected market growth

The automation market is expected to grow at a faster pace than the overall economy due to an increasing demand for automation in many sectors. Within our targeted areas, we expect the market to grow by 3–8 percent over the coming years.

Market drivers

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

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



“ A communication network is a bit like the human central nervous system; fundamentally critical to reliable system operation. Customers are becoming more aware of this key role that networks play in their applications and they are increasing investments in securing network reliability. Our persistent long-term work within resilient data communication and dedication to our quality gives us a strong position for meeting this need.

LARS-OLA LUNDKVIST, BUSINESS AREA DIRECTOR, IDC

One company – three product brands

As a leading technology company within industrial data communication and automation, we operate globally under the Beijer Electronics company name. We develop and market our product offering under both our company name and – for industrial data communication – the brand names Korenix and Westermo.



Product highlights 2013



iX HMI SoftMotion

CODESYS soft motion and soft control integrated in our iX HMI panels give customers a high-speed, lean yet stable solution for motion control. New servo motors and servo drives complement the iX HMI SoftMotion launch.



Nexto modular PLC

With industrial strength hardware and CODESYS-based software, the Nexto modular PLC offers reliable modern control technology that customers can adapt to their needs.



Global inverter range

Our frequency inverter range was completed with new IP20 enclosure classed models for mounting in cabinets, providing customers more cost-efficient solutions. The complete range is now launched on our global markets.



iX T7AM marine panel

The iX T7AM operator panel with black frame is certified for marine use and is a highly robust solution with HMI functionality to handle nearly any on-board system in both small and medium-sized applications.



WeOS operating system

WeOS version 4.12 communication devices bring leading-edge resilient network functionality to complex networks. Typical application areas include trackside railway applications, the process industry and energy.



Wireless JetWave and JetPort

The new JetWave and JetPort wireless access point and wireless device server products enable wireless networks and wireless device control and data transmission in industrial environments.

Getting your swoosh right

Swooshing down corduroy perfect slopes is many a skiing enthusiast's winter dream. And ski resorts work hard to provide guests just that sensation on perfect slopes using machinery such as the PistenBully snow groomers. In the PistenBully cockpit, operator panels from Beijer Electronics help drivers stay on top of their tasks and vehicle.

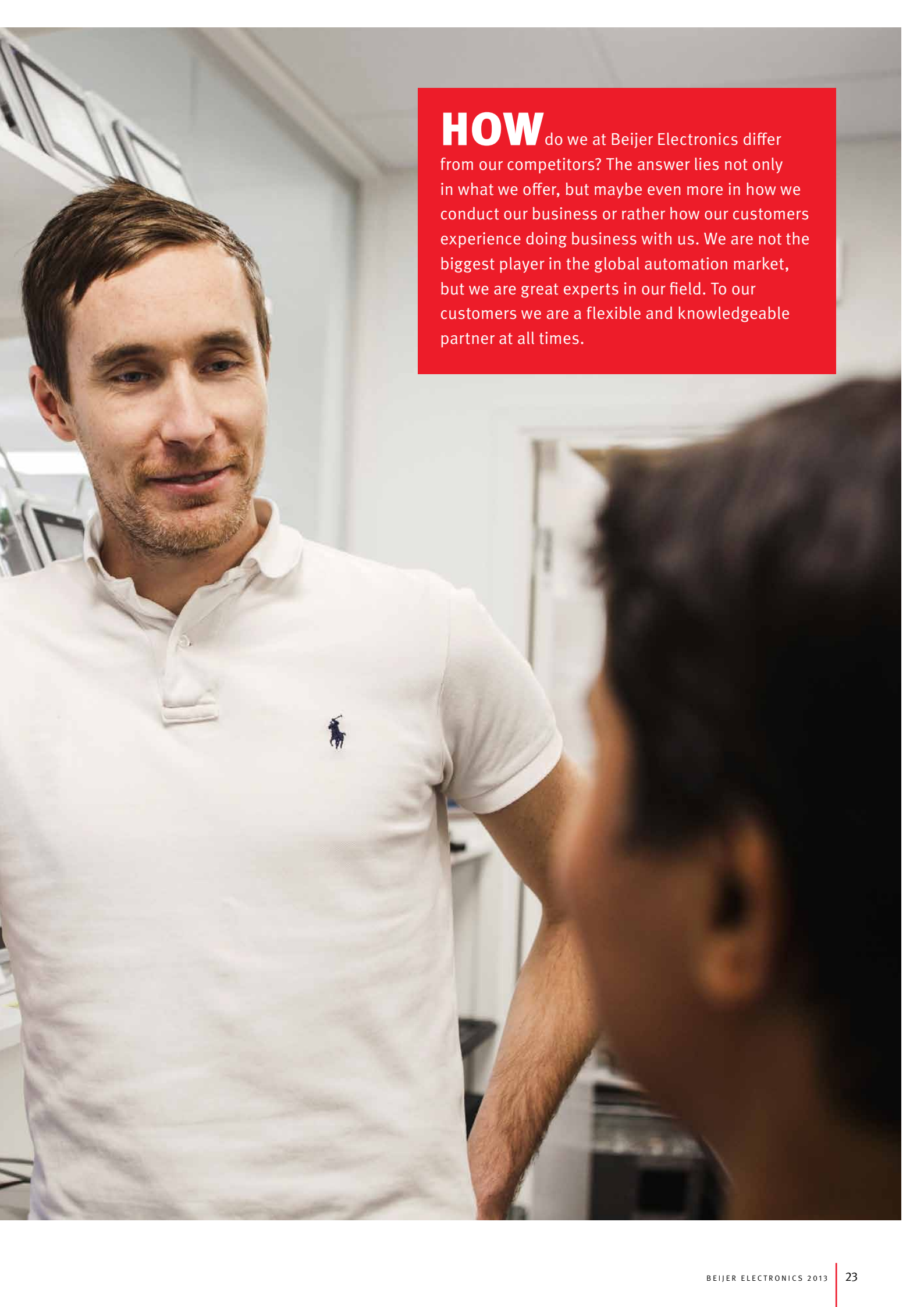


A day of skiing turns slopes into bumpy surfaces and pushes snow downhill and outwards. A glaring sun can turn snow into slush that refreezes in lumps; the wind can move snow and new snowfalls further alter conditions. Detecting and adapting to changing weather and snow conditions is crucial to creating slopes that are both smooth and safe to ride. Kässbohrer Geländefahrzeug, leading in snow grooming equipment, offers ski resorts a safe, efficient and user-friendly machine with

their newest PistenBully. Full overview of relevant parameters enables the driver to respond fast to changing snow conditions and safety features such as thermal cameras that help alert drivers to obstacles or people on the slope adds to the security of both skiers and the driver, who can also monitor all vehicle data for efficient driving. The operator interface that provides this full overview – day or night – in the alpine conditions comes from Beijer Electronics.







HOW do we at Beijer Electronics differ from our competitors? The answer lies not only in what we offer, but maybe even more in how we conduct our business or rather how our customers experience doing business with us. We are not the biggest player in the global automation market, but we are great experts in our field. To our customers we are a flexible and knowledgeable partner at all times.

Our vision

**A knowledgeable and trustworthy partner
who drives technology development**

**A leading provider of
automation solutions**

**Help customers increase efficiency and cut costs
by delivering the technological solution required**

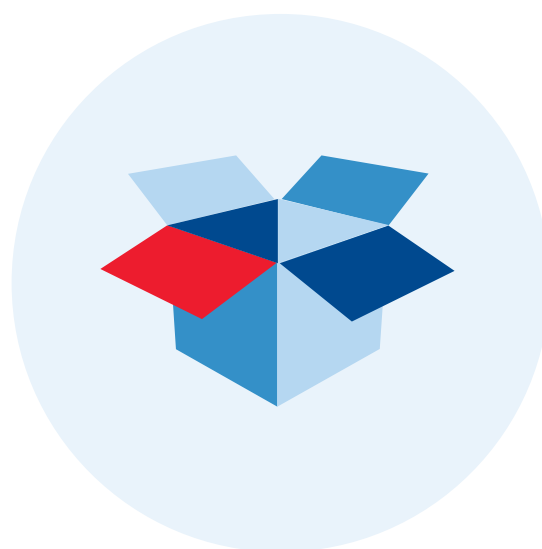
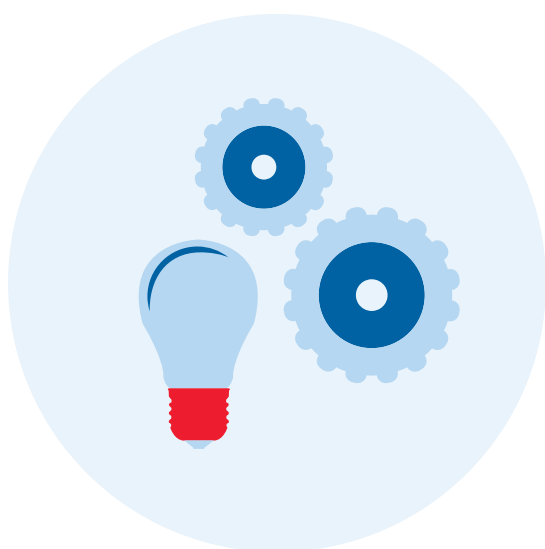
Increase our customers' competitiveness through solutions that are easy to install, use and maintain

**er of user-friendly
ns on a global basis**

Support our customers and their applications, wherever they are

Always ready to make a difference

Our strong commitment to people and technology is a mindset that sets us apart from the competition, forming the foundation of our competitive strengths. Nurturing these is the path toward achieving our vision.

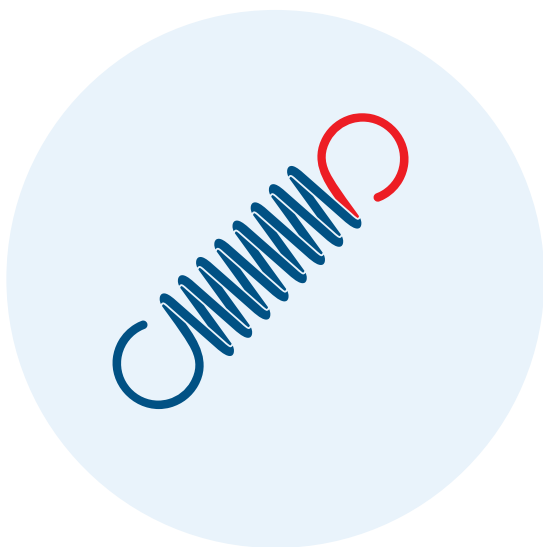


Creative technology

With an eye for spotting market and technology trends, we develop and combine standard technologies to create innovative products. Our technology inspires customers to be creative in developing their projects, leading to higher efficiency in their applications.

Open solutions

Open solutions means technology that adapts to the user – not the other way around. We choose to base our solutions on open standard technology platforms. As a result, customers gain the freedom to easily integrate their systems and customize to end-user requirements.



Flexible approach

Our approach means we can help customers increase their competitiveness. Whether it calls for developing new functionality, or other actions like adapting to specific logistics requirements, or setting up global points of contact, flexibility is a key factor in our customer approach.



Knowledgeable partner

Customers can trust us to understand their technical and commercial challenges. Our dialog brings us to the optimal answer. For more than thirty years, we've been a knowledgeable partner to customers in diverse industries, offering advice and support in any phase of their projects.

Strategies

Strategic focus areas

Growth

– organic and acquired

Organic growth is driven by a continued focus on OEM customers and structured key account management, through strengthening our offer in selected application areas and successfully launching new products. Further, growth is achieved through consolidating already made investments in combination with new acquisitions.

Market-driven product development

– leading edge offer

A global operations organization for R&D and product management increases our ability to handle global market input and prioritize resources in order to optimize our product portfolio and ensure a leading-edge product offer.

People and competences

– creating the foundation

We focus on competence development, especially sales management and growing our company's future leaders through a global leadership program. Establishing a common company culture throughout all entities and setting up global functions further strengthen our foundation for success.

Operational excellence

– quality and synergies

Product quality is our main focus, and the new global operations organization is one of the actions that will help us secure quality. Improving strategic sourcing and building a state-of-the-art global supply chain within the new organization will create synergies.

Core values

Commitment

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

Drive

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

Trust

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



“ The overall objective of the new Industrial Automation Operations structure is to guarantee that our products are competitive – from both a quality as well as a cost perspective. Also, with this more global approach to business, we can provide better service to customers with international operations.

SVEN KNUTSSON, VP OPERATIONS INDUSTRIAL AUTOMATION

Sales channels



We reach the market through a mix of five channels. Our primary focus is direct sales to end-users, OEMs and system integrators, who all either use our solutions themselves or utilize our products

as part of their solution. A network of distributors complement the direct sales, and brand label partners – who market our products under their own brand – make up a fifth channel.

Market segments



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

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

Product development costs

Investing in our future growth through focus on technology and product development continued in 2013, where the total costs of product development were 109.7 million SEK.

109.7 MSEK

Securing sustainable transportation

More than 90 percent of the world's trade is transported by sea. To protect the environment from the impact of the ships, the maritime industry must invest in new technologies to carry out advanced processes. Operator panels from Beijer Electronics assist where gauges and meters alone are no longer enough.



Organisms carried from one part of the world to another with a ship's ballast water can cause tremendous environmental damage to local eco systems, and financial losses. Therefore, ballast water must be treated to prevent transferal of any living organisms. To secure sustainable transportation, international regulations specify ballast water treatment as well as prevention of air pollutants and other damaging impact. Alfa Laval provides environmental solutions that enable ship owners and ship builders to meet current and pending international regulations.

Developing their sustainable solutions to comply with reduction of e.g. sulphur oxides in the exhaust gas and safe ballast water treatment, Alfa Laval had to find new ways to visualize and monitor the advanced processes. For example, instant process tracking is essential for ships to comply with audits from harbor authorities. We at Beijer Electronics are proud that Alfa Laval chose our operator panels to solve this need and meet the other functionality requirements of the complex processes.



WHERE

do we find our customers?
Or rather, where do our customers find us? Actually we are always close at hand, and often nearer than you'd think. Beijer Electronics is a truly international company with development, manufacturing, sales and support spread all over the world. We have the global resources to support companies in international expansion, and at the same time the market knowledge necessary to help our customers adapt to local market needs.

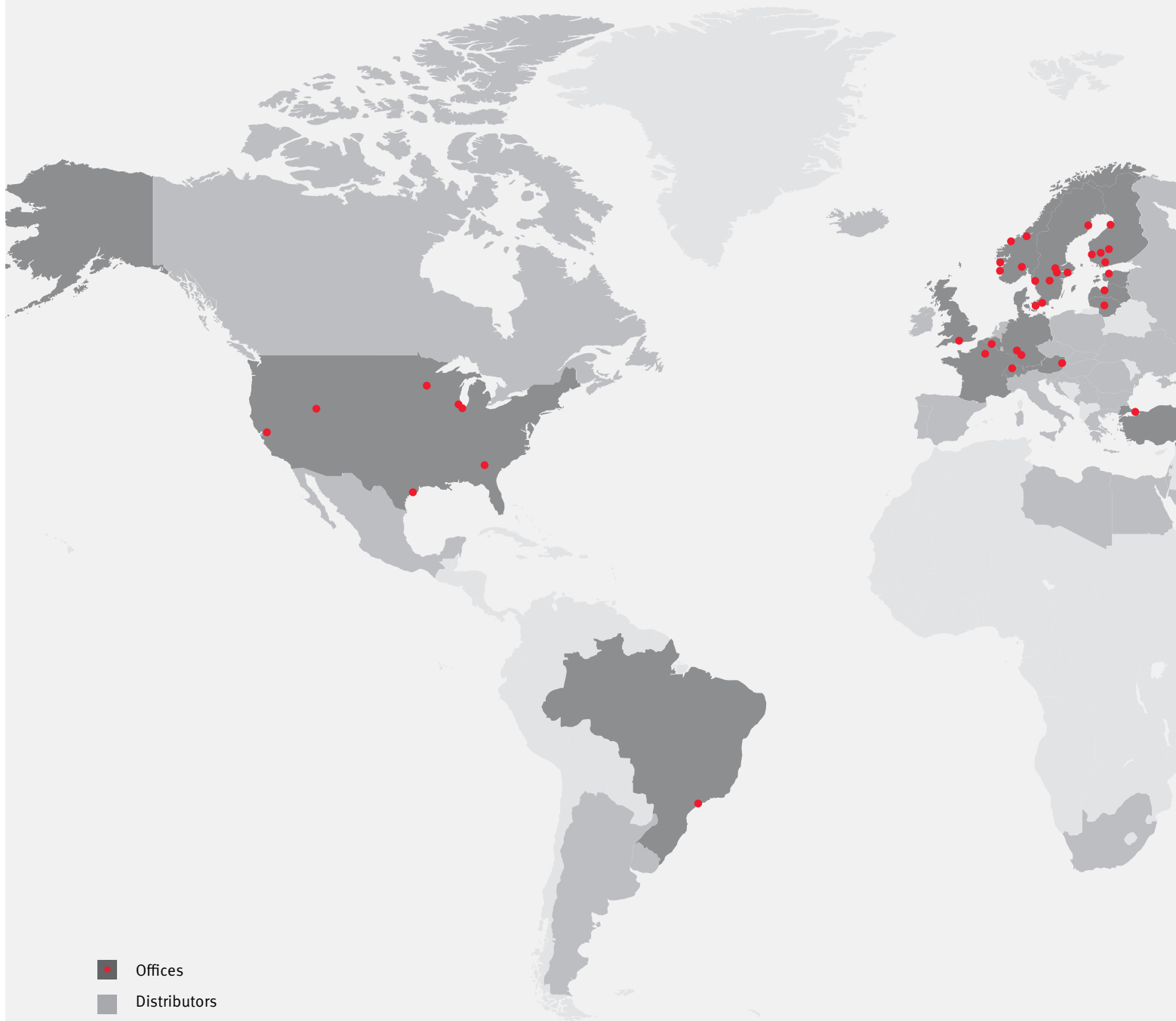


隆銀行



In touch with our markets

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





Sales and support

We have our own sales and support in 22 countries worldwide, and a close cooperation with selected distributors in some sixty countries. In addition, we have a number of industry specific sales teams. 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.



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.



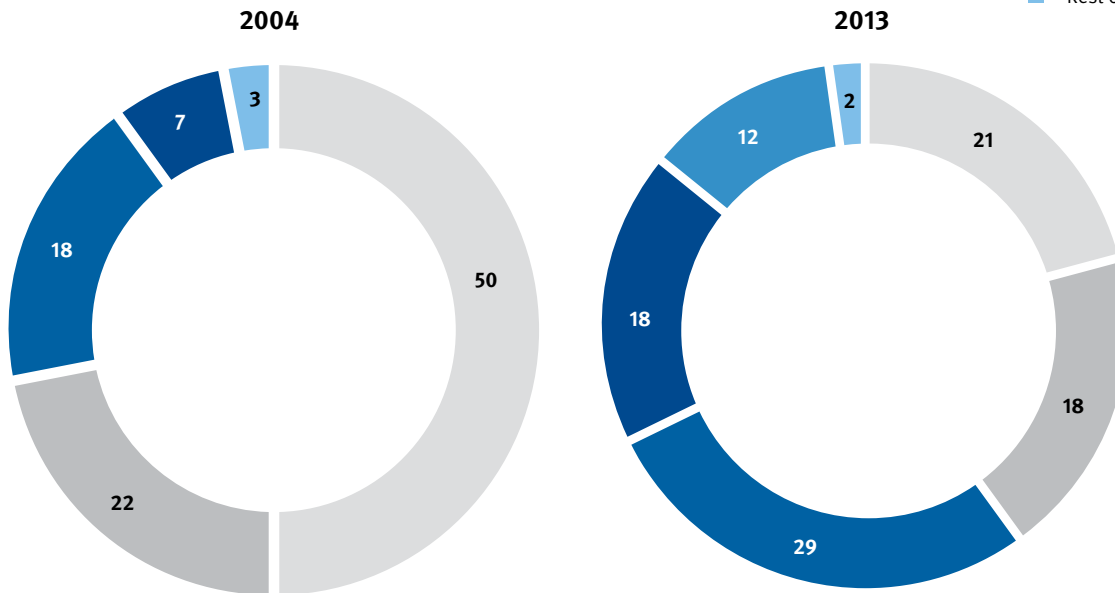
Production

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

About our sales regions

Sales per region

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



OFFICES IN **22** COUNTRIES

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

PARTNERS IN **60** COUNTRIES

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

Sales presence

Himberg	Roskilde	Chicago	Jönköping	Vantaa	Mariestad
Hellebecq	Tallin	Shanghai	Stavanger	Champlan	Göteborg
Minneapolis	Jyväskylä	Kuala Lumpur	Västerås	Atlanta	Stora Sundby
São Paulo	Kempele	Piteå	Zürich	Pune	Istanbul
Beijing	Ulvila	Unterensingen	Taipei	Riga	San Francisco
Shenzhen	Seoul	Tampere	Southampton	Kaunas	Waghäusel
Wuhan	Drammen	Ålesund	Houston	Stockholm	
Zhengzhou	Malmö	Singapore	Bergen	Salt Lake City	

“ Under the concept “Changing the game”, we rolled out the largest product release in the history of our company: Fifty launch events in the Nordic region brought us face to face with more than 2000 customers during Q3 and Q4. Even in a somewhat slower economy, we’re convinced that we’re on the right path forward with this new extended product range.

ROGER KROON, VP SALES NORDICS



“ This year, we’ve increased the number of customer events such as seminars and attended a number of industry exhibitions to increase brand awareness in the region. We’re beginning to see results of the last couple of years’ brand building efforts, and find that particularly within specialist segments like marine and transportation, people start to recognize us.

BERNDT KÖHRING, VP SALES ASIA

“ In 2013, we started to see development in the oil & gas segment where sales increased significantly to natural gas accounts. Looking forward, we see growth in markets such as pipeline construction and gas monitoring. Adding to that new products targeting the environmentally rugged market, we’re looking at an exciting 2014.

BARRY HOBBS, VP SALES AMERICAS



“ In the face of a hesitant economy, we focused on growth activities; establishing new distributors in the strategic markets Russia, South Africa, France and Dubai, and securing our position in the Middle East through the acquisition of our Turkish distributor. On top of that, we’ve increased customer activities and streamlined our product offer.

HENRIK DALBY DAMM, VP SALES EMEA



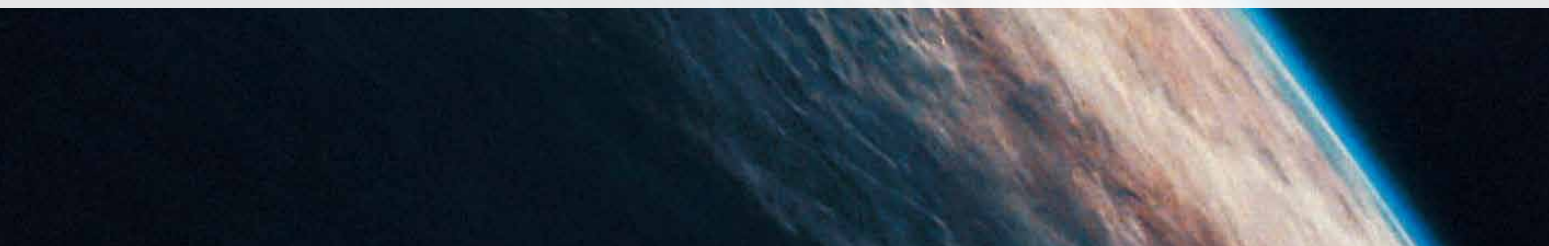
Bringing people to Mars

In the extreme world of space travel even the smallest error can lead to devastating consequences. Every construction detail and every piece of equipment has to be of the highest quality possible, such as the welding system for the fuel tanks – and, of course, the automation system controlling it.



At NASA's Michoud Assembly Facility in New Orleans, USA, aerospace manufacturer Boeing is building a new heavy-lift rocket, the Space Launch System (SLS), ultimately destined to bring people to Mars. The extreme conditions during launch and in space put every construction detail under exceptional pressure – down to the tiniest welded joint. With a length of 98 meters, the sheer size of the SLS challenged engineers to find new ways to assemble and weld the main fuel tanks. The answer was to design a whole new orbital welding system which can hold the upright weight of the fuel tank and fuse

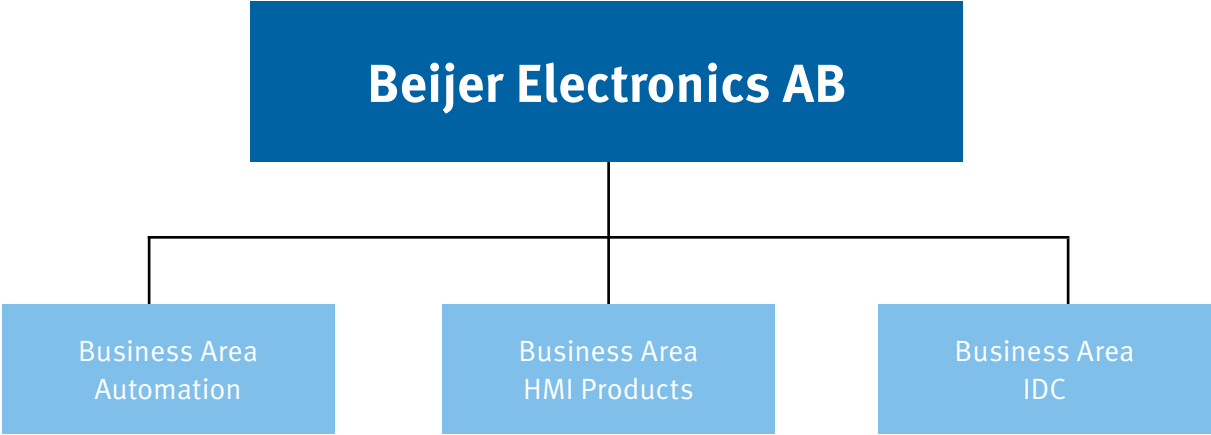
together the sections – vertically. The eight meter high tank sections will be joined through friction stir welding, a solid-state joining process using a spinning tool and high pressure to join the metals for the highest possible strength. Developed in close cooperation with Boeing and NASA, the new welding system is delivered by Swedish manufacturer ESAB Welding & Cutting Products, one of the world's leading suppliers in their field. And, delivering engineering and automation equipment is Beijer Electronics, ESAB's long-time partner in automation solutions.



Financial Information

The Beijer Electronics group is divided into three business areas: Automation, HMI Products and Industrial Data Communication (IDC). Automation is a sales company and markets the group's automation offer in the Nordics and Baltics. HMI Products develops, manufactures and sells operator panels, mobile terminals and industrial PCs on the global market. IDC develops, manufactures and sells industrial data communication products on the global market.

As of 2014, Beijer Electronics will report in two business areas: Industrial Automation and Industrial Data Communication. Industrial Automation is essentially a consolidation of the previous business areas Automation and HMI Products.



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 2013. 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 communications. 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 control, monitor and optimize critical processes in many different types of operation. Proprietary technology and product development is an important precondition for Beijer Electronics' competitiveness on the market. The company has development centers in Sweden, Germany, Taiwan and the USA.

The group's vision is to be a leading global vendor of user-friendly automation solutions. Products and solutions from Beijer Electronics are sold through proprietary sales units in 22 countries, and via a network of independent distributors in another 60 countries. See also Note 14 for more information on Beijer Electronics' subsidiaries. Parent company Beijer Electronics AB is a holding company with central functions like strategic development, accounting and Finance, IT, human resources, quality and environment, as well as communications.

The group is divided into three business areas: Automation, HMI Products and Industrial Data Communication (IDC). The HMI Products and IDC business areas have proprietary product development and manufacture, and global sales responsibility, while the Automation business area is a pure sales division responsible for the Nordic and Baltic markets.

Operations in the Year

Growth on the global industrial automation market is driven by investments in new products, 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 industrial automation market was generally weak in 2013. The market also featured substantial demand fluctuations in the first half-year. These fluctuations reduced in the second half-year and the market gradually stabilized. The general demand outlook was of great caution, especially for large-scale investments. At the same time, the global market presented a divided picture. The US market achieved good growth for most of the year. Demand on some European markets increased, but reduced on others. Asia made a poor start to the year, although there was some demand recovery subsequently. The Asian market was generally restrained.

Order Intake, Sales and Profits

The group's order intake increased by 2% to 1,401.6 MSEK (1,373.4) in 2013. The stronger Swedish krona had a negative effect on order intake. Currency adjusted, order intake increased by 4%. Group total sales increased by 1% to 1,376.2 MSEK (1,367.2). Currency-adjusted, sales increased by 3%.

Sales in Sweden, the group's single biggest market, increased by 4% to 289 MSEK, or 21% of the group's total sales. Norway performed weakly, with a sales decrease of 10%. Sales in Finland increased by 1%, and fell by 19% in Denmark. The Nordic and Baltic markets excluding Sweden represented a total of 18% of group sales. The UK achieved a continued brisk sales increase. Sales grew by 2% in Germany, but were down 14% in France. Europe excluding the Nordics represented 29% of total sales. In the US, sales were unchanged after a strong 2012. US sales were 18% of group total sales. Sales in China were down by 22%, but up by some 5% in the rest of Asia. Sales in Asia were 12% of total sales.

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

The group's operating profit was 87.4 MSEK (99.5), which corresponds to an operating margin of 6.3% (7.3). The lower profit was due to non-recurring expenses of 5.6 MSEK, higher depreciation and amortization, and a small number of very large orders with low margins in the US vehicle segment. Total development expenses, which relate to the HMI Products and IDC business areas, were 109.7 MSEK (111.5).

Profit before tax was 71.9 MSEK (73.1). Net financial income/expense was MSEK -15.5 (-26.4). Profit after estimated tax was 44.4 MSEK (53.4). Earnings per share after estimated tax was SEK 2.32 (2.64).

Significant Events

In April 2013, Beijer Electronics signed a three-year distributor agreement with Mitsubishi Electric. This agreement means this collaboration, which has been in place for over 30 years, will continue, with Beijer Electronics serving as main distributor of Mitsubishi Electric's automation products on the Nordic and Baltic markets. Coincident with this new agreement, Beijer Electronics repurchased the 15% minority stake that Mitsubishi Electric held in the Automation business area. The repurchase streamlines the relationship with Mitsubishi Electric, which is a supplier and customer of Beijer Electronics.

In April 2013, Beijer Electronics acquired 15% of Altus Sistemas de Automação S.A. of Brazil, with an option to acquire up to 49% of this company. Altus develops and manufactures high-technology control systems. The acquisition meant Beijer Electronics consolidating its presence on the Brazilian market, gaining access to high-quality control system products for the global market.

In May 2013, Beijer Electronics acquired Turkish automation company Petek Teknoloji Ltd. Petek, which has been Beijer Electronics' distributor in Turkey since 2005, is a full-range automation vendor, with annualized sales of 15 MSEK. The acquisition meant Beijer Electronics gained a direct channel to a growing market, with ongoing investment in the automotive and water and waste industries.

HMI Products Business Area

The market for the HMI Products business area, which develops, manufactures and sells operator communication products, achieved some recovery in the year, especially in the latter half. HMI Products increased order intake while sales were largely unchanged. Sales in the US were stable after a strong 2012. In Europe, the picture was divided with upturns and downturns on different markets. Sales in Asia decreased. Business area profits fell sharply and were unsatisfactory. The decrease is explained by some problems in manufacturing and shortcomings in the logistics chain, which caused higher costs. The business area also had very few large orders at low margins in the US vehicle segment. Profit was also charged with restructuring expenses in Germany and higher depreciation and amortization.

Order Intake, Sales and Profits

Order intake increased by 7% to 626.2 MSEK (585.1). Adjusted for negative currency effects, it increased by 9%. Sales decreased by 1% to 616.9 MSEK (620.3). Currency adjusted, sales increased by 2%. Operating profit before depreciation was 51.1 MSEK (81.4). Operating profit was 26.8 MSEK (58.7). This equated to an operating margin of 4.4% (9.5).

Automation Business Area

The automation business area struggled with very poor market progress in the Nordics overall, with falling order intake and lower sales for the full year. Sales in Denmark and Norway decreased by 19% and 10% respectively, but increased by 4% in Sweden, and by 1% in Finland. Sales in the Baltics were down by 19%. Primarily, demand for large-scale investments was poor throughout 2013. The market featured great caution and longer lead-times between tenders and orders. The group completed its biggest product launch to date in the third quarter, presenting a substantially expanded and broader offering of Beijer Electronics-branded products. This launch was followed by intensive marketing efforts and extensive customer contacts during the fourth quarter. The new product range was well received on the market, having a positive impact on sales in the fourth quarter. Despite a significant sales shortfall, through targeted activities, Automation was able to defend its profitability.

Order Intake, Sales and Profits

Order intake decreased by 10% to 436.6 MSEK (484.3). Sales decreased by 8% to 442.9 MSEK (479.0). Adjusted for currency effects, it decreased by 6%. Operating profit before depreciation and amortization was 32.2 MSEK (34.0). Operating profit was 28.9 MSEK (30.4), equating to an operating margin of 6.5% (6.3). The lower profit is due to lower sales volume.

IDC Business Area

The IDC business area develops, manufactures and sells industrial data communications products on the global market, where infrastructure projects like rail systems, energy distribution, road transport and mining operations are key components. IDC performed strongly

in 2013, especially in the second half-year, when the business area achieved record levels of order intake, sales and profit. This positive performance is a result of the business area's goal-oriented and long term focus on Beijer Electronics' network technology with own-brand software and selected segments. Sales of newly developed products represented 45% of IDC's total sales in 2013. Sales of network equipment to the oil and gas industry, the mining industry and rail segment continued to perform well in the year. Westermo's start-up in China in 2012 achieved successes, with sales beating expectations in 2013. With sales of over 400 MSEK and good profitability, IDC has a solid platform for continued good growth.

Order Intake, Sales and Profit

Order intake increased by 7% to 435.1 MSEK (405.3). Currency adjusted, order intake increased by 10%. Sales increased by 10% to 409.0 MSEK (370.3). Operating profit before depreciation and amortization increased by 36% to 64.3 MSEK (47.2). Operating profit increased by 39% to 37.9 MSEK (27.3). This corresponded to a margin of 9.3% (7.4). The sharp improvement in operating profit is due to higher sales volumes. Simultaneously, profit was charged with significantly higher depreciation and amortization.

Investments, Cash Flow and Financial Position

The group's investments including capitalized development expenses and acquisitions were 140.9 MSEK (49.8) in 2013. Cash flow from operating activities including changes in working capital was 207.9 MSEK (99.8). Equity was 391.4 MSEK (384.4) at year-end. The equity ratio was 27.2% (28.5). Cash and cash equivalents were 147.9 MSEK (128.5). Net debt was 559.9 MSEK (521.6).

Profitability

Return on equity was 11.1% (13.0). Return on capital employed and net operating assets were 8.8% (9.6) and 14.0% (15.1) respectively.

Human Resources

The average number of employees was 776 (752). Sales per employee were 1.8 MSEK (1.8).

Product Development

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

HMI Products 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 HMI Products were 61.9 MSEK (64.5). This corresponded to 10.0% (10.4) of sales. Product development is a central component of IDC's operations and is conducted in close collaboration with production. Development

Directors' Report cont.

consists of hardware and software. There are development units in Stora Sundby and Västerås, Sweden and Taipei, Taiwan. Development expenses were 45.3 MSEK (46.6), corresponding to 11.1% (12.6) of sales.

The group's total development expenses were 109.7 MSEK (111.5).

Currencies

Beijer Electronics' sales are conducted globally in different currencies. Euro-denominated sales were the equivalent of 427.3 MSEK, or 31.1% of total sales. Sales denominated in Swedish kronor were 267.6 MSEK, 355.0 MSEK denominated in US dollars, 95.3 MSEK in Norwegian kroner, 55.9 MSEK in Danish kroner, 55.6 MSEK in UK sterling and 119.5 MSEK in other currencies.

Environmental Impact

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

IFRS

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

Risks

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

Other business risks like market risks, collaboration agreements, product liability, technological progress and dependency on staff are subject to continual analysis, and where necessary, measures are taken to reduce the group's risk exposure. Beijer Electronics has sales and purchasing in foreign currencies and is thus exposed to currency risks. Normally, the group does not hedge its various currency flows. Beijer Electronics has some financial risks such as interest risk, liquidity risk and refinancing risk. The Board of Directors sets the rules for risk levels and managing financial risks at various levels in the group.

The goal is to minimize these risks, and clarify responsibility and authority. Following up on rules and their compliance is verified by the individuals responsible and reported to the Board of Directors. Interest-bearing liabilities were 679.0 MSEK at year-end. Net debt amounted to 559.9 MSEK.

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, 2013. Beijer Electronics conducted a new share issue in June 2013, which increased the number of shares by 133,122, and share capital by 44,374 SEK. The new share issue was preceded by subscription for new shares through the exercise of share warrants in the 2008/13 series, as approved by the AGM. At year-end, the largest shareholders of Beijer Electronics was Stena Sessan Rederi AB, holding 29.8% of the capital and votes.

Guidelines for Remuneration to Senior Managers

The Remuneration Committee is appointed each year by the Board of Directors. The Remuneration Committee consults on the Board of Directors' decisions on remuneration for the Chief Executive Officer and takes decisions on remuneration to other members of management. The Remuneration Committee also consults on proposals regarding potential incentive plans. The principles governing the work of the Remuneration Committee are reviewed in more detail in the Corporate Governance Report on page 84.

Basic salary and customary employment benefits are paid to management, plus pension benefits and incentive plans that include warrants granted in 2008–2009, and a performance-related component. Guidelines for remuneration to, and other employment terms of, senior managers for the financial year 2013 were approved by the AGM in April 2013. In 2013 remuneration to the Board of Directors and management, and a review of the incentive plan, is stated in Note 7 on pages 64–65.

Outlook for 2013

The group's sales and operating profit improved in the second half-year on the first half-year and in year-on-year terms. Simultaneously, there is substantial uncertainty in the surrounding world. But somewhat better order intake is bringing some confidence of a gradual stabilization, as well as better demand growth in 2014.

Proposed Appropriation of Profit

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

SEK 000	
Retained profit	30,933
Net profit	28,918
Total	59,851

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	23,668
Carried forward	36,183
Total	59,851

The proposed record date for entitlement to dividends is April 28, 2014. If the proposal is ratified by the AGM, the dividend is estimated to be paid on May 2, 2014.

The proposed dividend has been determined considering the group's equity ratio of 27.2% at year end and the parent company's equity ratio of 13.3%. 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 also be maintained at a 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 23, 2014.

Post Balance Sheet Events

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

Consolidated Income Statement

SEK 000	2013	2012	Note
Revenues	1,376,187	1,367,163	2
Cost of goods sold	-755,281	-753,892	3
Gross profit	620,906	613,271	
Sales overheads	-225,577	-199,155	3
Administration overheads	-309,471	-312,153	3
Other operating revenue and operating expenses	1,509	-2,423	4
Operating profit	87,367	99,540	2,4,56,7,8
Financial income	5,989	1,243	
Financial expenses	-21,481	-27,662	
Net financial income/expense	-15,492	-26,419	9
Profit before tax	71,874	73,121	
Tax	-27,508	-19,765	11
Net profit	44,366	53,356	
<i>Attributable to parent company shareholders</i>	<i>44,218</i>	<i>49,939</i>	
<i>Attributable to non-controlling interests</i>	<i>148</i>	<i>3,417</i>	
<i>Earnings per share, SEK</i>	<i>2.32</i>	<i>2.64</i>	20

Statement of Comprehensive Income

SEK 000	2013	2012
Net profit	44,366	53,356
Other comprehensive income:		
Items not potentially reclassifiable to profit or loss		
Restatement of net pension obligations	9,714	-6,183
Items potentially reclassifiable to profit or loss		
Translation differences	-11,706	-11,845
Comprehensive income	42,374	35,328
<i>Attributable to parent company shareholders</i>	<i>41,399</i>	<i>31,998</i>
<i>Attributable to non-controlling interests</i>	<i>975</i>	<i>3,330</i>

Consolidated Balance Sheet

SEK 000	Dec. 31, 2013	Dec. 31, 2012	Note
ASSETS			
Fixed assets			
Property, plant and equipment	79,167	74,026	13
Intangible assets	666,673	673,556	12
Participations in associated companies	73,585		15
Long-term receivables	2,072	1,395	17
Deferred tax assets	29,366	27,715	25
Total fixed assets	850,863	776,692	
Current assets			
Inventories	212,187	243,546	18
Accounts receivable	198,474	214,050	19
Income taxes recoverable	15,659	18,912	
Other receivables	14,055	31,041	19
Prepaid expenses and accrued income	17,645	11,285	19
Cash and cash equivalents	147,926	128,469	
Total current assets	605,946	647,303	
Total assets	1,456,809	1,423,995	
EQUITY AND LIABILITIES			
Equity			
Share capital	6,356	6,311	
Other contributed capital	25,697	17,648	
Translation reserves	-33,582	-21,049	
Accumulated profit or loss	392,892	381,490	
Equity attributable to parent company shareholders	391,363	384,400	
Equity attributable to non-controlling interests	4,800	21,316	
Total equity	396,163	405,716	
Long-term liabilities			
Borrowings	380,456	396,747	22
Other long-term liabilities	28,677	10,931	32
Pension provisions	71,532	74,301	22,24
Deferred tax liabilities	56,727	61,057	25
Other provisions	7,373	2,577	26
Total long-term liabilities	544,766	545,613	
Current liabilities			
Borrowings	213,838	179,043	22
Customer advances	4,153	2,132	
Accounts payable	140,743	114,491	
Tax liabilities	24,070	19,914	
Other liabilities	40,480	78,978	32
Accrued expenses and deferred income	92,596	78,108	27
Total current liabilities	515,880	472,666	
Total liabilities	1,060,646	1,018,279	
Total equity and liabilities	1,456,809	1,423,995	

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

Consolidated Statement of Changes in Equity

Attributable to Parent Company Shareholders

SEK 000	Share Capital ^a	Other Contributed Capital	Translation Reserves	Accumulated Profit or Loss ^b	Total	Non-controlling Interests	Total Equity
Opening equity, Jan. 1, 2012	6,311	17,648	-9,291	405,597	420,265	18,886	439,151
Effect of changed accounting principles for defined benefit pension plans				-25,260	-25,260		-25,260
Net profit				49,939	49,939	3,417	53,356
Restatement of net pension obligations				-6,183	-6,183		-6,183
Translation differences			-11,758		-11,758	-87	-11,845
Comprehensive income	6,311	17,648	-21,049	424,093	427,003	22,216	449,219
Transactions with shareholders							
Dividends ^d				-42,603	-42,603	-900	-43,503
Closing equity, Dec. 31, 2012	6,311	17,648	-21,049	381,490	384,400	21,316	405,716

Attributable to Parent Company Shareholders

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

^a 19,067,586 (18,934,464) shares with a quotient value of SEK 0.33 (0.33).

The number of shares was increased by a share issue of 133,122m new shares in 2013. All shares are of the same class.

^b Including net profit.

^c New share issue relating to warrants programs.

^d Dividend per share was SEK 1.25 (2.25).

Consolidated Cash Flow Statement

SEK 000	2013	2012	Note
Operating activities			31
Profit before tax	71,874	73,121	
Adjustments for non-cash items, etc.	69,521	56,670	
Tax paid	-25,592	-36,460	
Cash flow from operating activities before changes in working capital	115,803	93,331	
<i>Cash flow from changes in working capital</i>			
Increase(-)/decrease(+) in inventories	25,735	9,937	
Increase(-)/decrease(+) in trade receivables	36,424	-27,746	
Increase(+)/decrease(-) in trade liabilities	29,948	24,256	
Cash flow from operating activities	207,910	99,778	
Investing activities			
Investments in intangible assets	-24,382	-35,879	
Investments in property, plant and equipment	-15,870	-13,899	
Sale of property, plant and equipment	-108		
Purchases of subsidiaries, net liquidity effect	-26,265		33
Investments in financial assets	-73,585		
Sale of other financial assets	-662		
Cash flow from investing activities	-140,872	-49,778	
Financing activities			
Proceeds from share issue	8,094		
Change in overdraft facility	17,951	-11,429	
Change in other current financial liabilities		-300	
Borrowings	79,000	60,000	
Loan amortization	-125,231	-101,692	
Dividend paid to non-controlling interests		-900	
Dividend paid to parent company shareholders	-23,668	-42,603	
Cash flow from financing activities	-43,854	-96,924	
Cash flow for the year	23,184	-46,924	
Cash and cash equivalents at beginning of year	128,469	178,258	
Exchange rate difference in cash and cash equivalents	-3,727	-2,865	
Cash and cash equivalents at end of year	147,926	128,469	

Parent Company Income Statement

SEK 000	2013	2012	Note
Net sales	60,701	64,359	30
	60,701	64,359	
Operating expenses			
Sales and administration overheads	-73,620	-75,200	5,6,7,8,30
Other operating expenses			
Operating profit	-12,919	-10,841	
Profit from financial items			
Profit from other securities and receivables classified as fixed assets	822	-7,209	9
Dividend from subsidiaries	66,959	18,771	
Dividend from subsidiaries, anticipated		20,000	
Other interest income, etc.	7,678	10,276	9
Interest expenses, etc.	-20,435	-23,479	9
Profit after financial items	42,105	7,518	
Appropriations	27,896	19,826	10
Profit before tax	70,001	27,344	
Tax on profit for the year	-1,383	1,574	11
Net profit and comprehensive income for the year	68,618	28,918	

Parent Company Balance Sheet

SEK 000	Dec. 31, 2013	Dec. 31, 2012	Note
ASSETS			
Fixed assets			
Intangible assets	42,820	46,103	12
Property, plant and equipment	1,049	1,059	13
Financial assets			
Participations in group companies	383,385	297,232	14
Receivables from group companies	339,908	324,673	16
Shares in associated companies	73,585		15
Deferred tax assets	2,936	3,689	
Total financial assets	799,814	625,594	
Total fixed assets	843,683	672,756	
Current assets			
Current receivables			
Receivables from group companies	40,978	27,667	
Income taxes recoverable	1,120	933	
Other receivables	56	210	
Prepaid expenses and accrued income	5,520	4,759	19
Total current receivables	47,674	33,569	
Cash and bank balances	11,958	269	
Total current assets	59,632	33,838	
Total assets	903,315	706,594	

SEK 000	Dec. 31, 2013	Dec. 31, 2012	Note
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital ^a	6,356	6,311	
Statutory reserve	1,244	1,244	
Total restricted equity	7,600	7,555	
Non-restricted equity			
Retained earnings	44,232	30,933	
Net profit	68,618	28,918	
Total non-restricted equity	112,850	59,851	
Total equity	120,450	67,406	
Untaxed reserves	3,925	7,865	21
Provisions			
Pension provisions	3,782	3,345	
Total provisions	3,782	3,345	
Long-term liabilities			
Liabilities to credit institutions	380,000	391,000	23
Liabilities to group companies	96,701		
Other long-term liabilities	19,730	3,996	
Total long-term liabilities	496,431	394,996	
Current liabilities			
Liabilities to credit institutions	213,664	175,849	23
Accounts payable	7,491	9,168	
Liabilities to group companies	28,411	32,342	
Other liabilities	18,949	163	
Accrued expenses and deferred income	10,212	15,460	27
Total current liabilities	278,727	232,982	
Total equity and liabilities	903,315	706,594	

a In 2013, the number of shares was increased by a share issue of 133,122 new shares and amounts to 19,067,586 (18,934,464).

Parent Company Pledged Assets and Contingent Liabilities

SEK 000	Dec. 31, 2013	Dec. 31, 2012	Note
Pledged Assets	None	None	
Contingent liabilities	28,134	520	29

Parent Company Statement of Changes in Equity

SEK 000	Restricted Equity		Non-restricted Equity		Total Equity
	Share Capital ^a	Statutory Reserve	Accumulated Profit or Loss	Net Profit	
Opening equity, Jan. 1, 2012	6,311	1,244	73,536		81,091
Net profit				28,918	28,918
Total changes to net worth, exc. transactions with company's shareholders	6,311	1,244	73,536	28,918	110,009
Dividend			-42,603		-42,603
Closing equity, Dec. 31, 2012	6,311	1,244	30,933	28,918	67,406

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

^a	2013	2012
No. of shares	19,067,586	18,934,464
Quotient value (SEK)	0.33	0.33

^b In 2013, the number of shares was increased by a share issue of 133,122 new shares and amounts to 19,067,586 (18,934,464).

Parent Company Cash Flow Statement

SEK 000	2013	2012	Note
Operating activities			
Profit after financial items	42,105	7,518	31
Adjustments for non-cash items, etc.	7,287	6,313	
Tax paid	-817	109	
Cash flow from operating activities before changes in working capital	48,575	13,940	
<i>Cash flow from changes in working capital</i>			
Increase (-)/decrease (+) in trade receivables	-13,918	79,522	
Increase (+)/decrease (-) in trade liabilities	31,886	12,430	
Cash flow from operating activities	66,543	105,892	
Investing activities			
Investments in intangible assets	-3,014	-17,236	
Investments in property, plant and equipment	-638	-70	
Sale of property, plant and equipment	95		
Investments/amortization of financial assets	-73,585	-54,803	
Purchase of subsidiaries, affecting net liquidity	-26,265		
Cash flow from investing activities	-103,407	-72,109	
Financing activities			
Proceeds from share issue	8,094		
Borrowings	79,000	60,000	
Increase/decrease of financial liabilities	55,127	-11,027	
Loan amortization	-70,000	-40,000	
Dividend paid	-23,668	-42,603	
Cash flow from financing activities	48,553	-33,630	
Cash flow for the year	11,689	153	
Cash and cash equivalents at beginning of year	269	116	
Cash and cash equivalents at end of year	11,958	269	

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 communications. 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, 2014. Standards that came into effect from January 1, 2013 onwards, for which earlier adoption has been encouraged, did not affect Beijer Electronics' accounting for 2013. The Consolidated Accounts have been prepared in accordance with the cost method financial assets and liabilities measured at fair value through profit or loss.

Introduction of New and Revised Accounting Principles

i) New and amended standards applied by the group

The standards the group is applying for the first time in the financial year that begins January 1, 2013, and which have a significant effect on the consolidated financial statements follow:

Amendments to IAS 1, 'Presentation of Financial Statements', regarding other comprehensive income. The main change in the amended IAS 1 is a requirement for entities to group items presented in 'other comprehensive income' (OCI) in two groups. The division is based on whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments) or not.

IAS 19 "Employee Benefits" was reworked in June 2011. This amendment means that the group has ceased to apply the corridor method, and instead report all actuarial gains and losses in other comprehensive income when they occur. Expenses for services rendered in previous years are recognized immediately. Interest expenses and expected returns on plan assets has been replaced by a net interest rate computed with the aid of a discount rate based on the net surplus or net deficit of the defined-benefit plan. The effect of the new standard is described in Note 24 Pension Provisions, etc.

IFRS 13, 'Fair Value Measurement,' is intended to make fair value measurement more consistent and less complex by the standard providing a precise definition and common source in IFRS for fair value measurement and associated disclosures. The standard offers guidance on survey measurements for all classes of asset and liability, financial and non-financial. These standards do not extend the application for when fair value should be applied but offer guidance on

how it should be applied when other IFRS already require or permit fair value measurement.

None of the other IFRSs or IFRIC interpretation statements that are compulsory for the first time in the financial year that began on January 1, 2013 have had any significant impact on the group.

(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.

None of the IFRS or IFRIC interpretations that have not yet come into effect are expected to have any significant impact on the group.

(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 April 2, 2014. 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 23, 2014.

(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. 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

Note 1 cont.
Accounting Principles

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

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

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

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

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

(v) Transactions Eliminated on Consolidation

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

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

(f) Foreign Currency

(i) Transactions and Balance Sheet Items

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

(ii) Financial Statements of Foreign Operations

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

(g) Revenues

(i) Goods Sales and Service Assignments

Consolidated revenue consists of sales of goods and services. Revenues measured at the fair value of what has been received or will be received, correspond to those amounts received for goods sold after deducting discounts, returns and value-added tax. Revenues are recognized in the Income Statement when the essential risks and rewards associated with ownership have been transferred to the buyer. Revenue from service assignments is recognized in the Income Statement according to the percentage of completion method. The percentage of completion is calculated on the basis of degree of completion based on expenses incurred as a proportion of total estimated expenses. Revenue is not reported to accounts if it is considered probable that the economic rewards will not flow to the group. If there is significant uncertainty regarding payment, associated expenses or the risk of returns, and if the seller retains its commitment to ongoing management, usually associated with ownership, no revenue is recognized.

(h) Operating Expenses, Financial Income and Expenses

(i) Cost of Operating Leases

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

(ii) Cost of Finance Leases

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

(iii) Financial Income and Expenses

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

The interest component of finance lease payments is reported in the Income Statement by applying the effective interest method.

Dividend income is reported when the right to receive the payment is determined.

(i) Financial Instruments

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

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

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

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

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

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

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

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

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

Loan Receivables and Accounts Receivable

'Loan receivables and accounts receivable' are financial assets that are not derivatives with fixed payments or payments that can be determined, and that are not listed on a recognized marketplace. These receivables arise when the company supplies funds, goods and services directly to the borrower, without intending to conduct trading in

the receivable rights. This category also includes acquired receivables. Assets in this category are measured at amortized cost. The balance sheet item termed long-term receivables is included in this category.

Other Financial Liabilities

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

Cash and Cash Equivalents

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

Long-term Receivables and Other Current Receivables

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

Accounts Receivable

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

(j) Property, Plant and Equipment

(i) Owned Assets

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

Property, plant and equipment are reported at cost in the group less accumulated depreciation and potential impairment. The purchase

Note 1 cont.
Accounting Principles

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 Assets

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

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

The estimated useful lives are:

Trademarks and brands	7–20 years
Customer contracts (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 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

Note 1 cont.
Accounting Principles

an amount is indicated for the pension benefit an employee will receive after retirement, usually based on one or several factors like age, length of service and salary. The group has defined-benefit plans in the parent company, subsidiaries in Sweden and two of the subsidiaries in Taiwan.

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

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

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

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

(iii) Dismissal Pay

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

(iv) Bonus and Profit Share Plans

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

(p) Provisions

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

(q) Tax

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

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

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

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

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

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

(r) Contingent Liabilities

A contingent liability is reported when there is a possible commitment arising from events that have occurred, and whose incidence is confirmed only by one or more uncertain future events, or when

there is a commitment that is not reported as a liability or a provision because it is unlikely that an outflow of resources will be necessary.

(s) Cash Flow Statement

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

Parent Company Accounting Principles

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

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

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

Subsidiaries and Associated Companies

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

Long-term Monetary Dealings

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

Financial Instruments

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

Property, Plant and Equipment

Owned Assets

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

Leased Assets

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

Intangible Assets

Development

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

Employee Benefits

Defined-benefit Plans

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

Tax

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

Group Contributions and Shareholders' Contributions for Legal Entities

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

Note 2

Segment Reporting

Management has decided that operating segments are used to reach strategic decisions. Management judges operations from a product perspective, where operating segments are divided into the three business areas of Automation, HMI Products and IDC.

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

Management judges operating segments based on operating profit.

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

Geographical Division of Sales

SEK 000	2013	2012
Sweden	289,056	277,250
Norway	117,996	131,239
Finland	66,955	66,491
Denmark	60,712	74,500
Nordics	534,719	549,480
Germany	146,820	144,076
UK	84,841	57,949
Rest of Europe	168,096	155,556
Total Europe	934,476	907,061
North America	251,029	252,101
Asia	167,801	179,649
Rest of World	22,881	28,352
Total	1,376,187	1,367,163

2013

SEK 000	Automation	HMI Products	IDC	Other	Elimination	Total
Revenues						
External sales	440,605	530,300	405,282			1,376,187
Internal sales	2,272	86,559	3,766		-92,597	
Total sales	442,877	616,859	409,048		-92,597	1,376,187
Operating profit before depreciation and amortization*	32,210	51,099	64,292	-6,110	9,822	151,313
Depreciation of property, plant and equipment	-1,148	-4,288	-8,625	-511	-3,192	-17,764
Amortization of intangible assets	-2,139	-19,965	-17,780	-6,298		-46,182
Operating profit	28,923	26,846	37,887	-12,919	6,630	87,367
* of which restructuring expenses		-5,633				-5,633

2012

SEK 000	Automation	HMI Products	IDC	Other	Elimination	Total
Revenues						
External sales	478,088	522,127	366,948			1,367,163
Internal sales	895	98,154	3,392		-102,441	
Total sales	478,983	620,281	370,340		-102,441	1,367,163
Operating profit before depreciation and amortization*	34,049	81,412	47,233	-5,056	1,017	158,655
Depreciation of property, plant and equipment	-1,542	-5,037	-8,578	-919	-2,141	-18,217
Amortization of intangible assets	-2,154	-17,714	-11,353	-4,866	-4,811	-40,898
Operating profit	30,353	58,661	27,302	-10,841	-5,935	99,540
* of which restructuring expenses						

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.

Note 3

Cost Types

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

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Cost of materials	623,537	619,187
Salaries, benefits and social security expenses	409,823	399,052
Amortization and depreciation of intangible assets and property, plant and equipment	63,946	59,112
Other expenses	193,023	187,849
	1,290,329	1,265,200

Note 4

Other Operating Revenue and Operating Expenses

SEK 000	2013	2012
Group		
Exchange rate gains on trade receivables/ liabilities	13,907	15,519
Exchange rate losses on trade receivables/ liabilities	-13,681	-18,854
Other	1,283	912
	1,509	-2,423

Note 5

Fees and Reimbursement to Auditors

SEK 000	2013	2012
Group		
<i>PricewaterhouseCoopers</i>		
Auditing	1,650	1,565
Tax consultancy	160	203
Other assignments	102	877
Total PwC	1,912	2,645
<i>Other auditors</i>		
Auditing	243	337
Tax consultancy	24	61
Other assignments		
Total other auditors	267	398
Parent company		
<i>PricewaterhouseCoopers</i>		
Auditing	689	662
Tax consultancy		126
Other assignments	18	809
Total PwC	707	1,597

Note 6

Operating Lease Payments

SEK 000	2013	2012
Group		
Total lease expenses	27,671	24,876
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	26,609	24,965
Between one and five years	61,023	48,374
Total	87,632	73,339
Parent Company		
Total lease expenses	9,579	9,955
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	9,103	9,248
Between one and five years	31,876	30,274
Total lease expenses	40,979	39,522

Note 7

Employees and Personnel Expenses

Average Number of Employees

	2013	Of which men, %	2012	Of which men, %
Parent company				
Sweden	25	58	23	61
Total in parent company	25	58	23	61
Subsidiaries				
Brazil	2	100	1	100
Denmark	15	69	17	71
Estonia	4	76	4	75
UK	15	85	17	82
Finland	17	76	18	78
France	11	80	11	73
India	1	100		
China	35	58	31	50
Latvia	3	67	3	67
Lithuania	3	100	2	100
Norway	23	83	25	84
Singapore	5	100	5	100
Sweden	230	85	223	84
Taiwan	231	41	224	42
Turkey	8	75		
Germany	60	75	61	75
USA	88	69	87	69
Total in subsidiaries	751	67	729	69
Group total	776	66	752	69

Division between Sexes, Group Management

	Dec. 31, 2013	Dec. 31, 2012
	<i>Prop. Women</i>	<i>Prop. Women</i>
Parent company		
Board	29%	33%
Other senior managers	10%	11%
Group total		
Board	29%	33%
Other senior management	10%	11%

Salary, Other Remuneration and Social Security Expenses

SEK 000	2013		2012	
	Salary and remuneration	Social security expenses	Salary and remuneration	Social security expenses
Parent Company	19,825	11,139	19,213	11,083
(of which pension expenses)		(4,016) ^a		(4,067) ^a
Subsidiaries	294,298	84,561	288,349	80,406
(of which pension expenses)		(22,429)		(20,161)
Group total	314,123	95,700	307,562	91,489
(of which pension expenses)		(26,445) ^b		(24,228) ^b

a Of parent company pension expenses,
1,667,000 (1,614,000) relates to the Board and CEO.

b Of consolidated pension expenses,
1,667,000 (1,614,000) relates to the Board and CEO.

Remuneration of Senior Managers – Board of Directors

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

SEK	2013	2012
Board of Directors		
Anders Ilstam, Chairman of the Board	450,000	450,000
Bert Åke Eriksson	200,000	200,000
Ulrika Hagdahl	200,000	200,000
Maria Khorsand	200,000	200,000
Stig-Arne Blom	200,000	200,000

No Board members received remuneration for consulting assignments in 2013 (0).

Remuneration and Other Benefits in the Year

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

SEK 000	2013		2012	
	CEO	Other Senior Managers ^a	CEO	Other Senior Managers ^a
Basic salary	3,720	13,007	3,499	11,781
Performance related pay	372	1,267		1,210
Other benefits	141	1,771	149	779
Pension expenses	1,667	3,012	1,614	1,808
Total salary and remuneration	5,900	19,057	5,262	15,578

a There are 9 (8) other senior managers.

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 like company car 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 Managers

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

Board of Directors' Proposed Guidelines 2014

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

Total remuneration covers basic salary and performance-related pay, comprising a yearly and a long-term portion. Pension and other customary benefits such as company car 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.

Incentive Plans

The purpose of incentive plans is to promote senior management commitment to the group's progress and thus increase value for the group's shareholders. In 2008–2009, senior managers were offered the opportunity to acquire warrants. This plan has two series of options, of 90,000 in each series. The warrants are issued on market terms calculated according to the Black & Scholes formula, and have terms of three and five years respectively. The subscription prices are 175.50 SEK and 182.50 SEK respectively.

The first series expired in May 2011. All warrants in this series were exercised. The second series expired in May 2013 and 44,374 warrants have been exercised in this series.

With the support of the guidelines for remunerating senior managers resolved by the AGM, an incentive program for 30 key employees of the group was conducted in 2011. This program involves 3% of the company's profit after tax being provisioned for payment after three years pro rata with the participants' salary at the time of provisioning. The condition for provisioning in 2013 is minimum earnings per share of SEK 7.23 (5.91). This condition has not been satisfied, and accordingly, no provision was made in the annual financial statements.

Decision-making Process

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

Note 8

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

SEK 000	2013	2012
Group		
Capitalized development expenditure	-22,959	-19,500
Capitalized expenditure for software	-6,433	-5,034
Customer contracts, brands and similar rights	-16,790	-17,172
Buildings and land	-1,236	-1,522
Machinery and other plant	-2,390	-2,235
Equipment, tools, fixtures and fittings	-14,138	-13,782
	-63,946	-59,245
Parent Company		
Capitalized expenditure for software	-6,297	-4,866
Equipment, tools, fixtures and fittings	-553	-919
	-6,850	-5,785

Note 9

Net Financial Income/Expense

SEK 000	2013	2012
Group		
Interest income	469	1,243
Revaluation of additional purchase price	2,136	
Net exchange rate difference	3,385	
Financial income	5,989	1,243
Interest expenses	-21,481	-23,567
Revaluation of additional purchase price		-3,223
Net exchange rate difference		-872
Financial expenses	-21,481	-27,662
Net financial income/expense	-15,492	-26,419

Profit or loss from other securities and receivables that are fixed assets
Interest Income, etc.

SEK 000	2013	2012	2013	2012
Parent Company				
Interest income, group companies			7,596	10,144
Interest income, other			82	132
Dividend	66,959	18,771		
Dividend, anticipated		20,000		
Exchange rate difference			822	
	66,959	38,771	8,500	10,276

Profit or loss from other securities and receivables that are fixed assets
Interest Expenses, etc.

SEK 000	2013	2012	2013	2012
Parent company				
Interest expenses, group companies			-1,445	-556
Interest expenses, other			-18,990	-21,475
Exchange rate difference		-7,209		-1,448
		-7,209	-20,435	-23,479

Note 10

Appropriations

SEK 000	2013	2012
Tax allocation reserve, reversal in the year	3,940	6,420
Group contributions, received	23,956	13,406
	27,896	19,826

Note 11

Tax on Net Profit

SEK 000	2013	2012
Group		
<i>Current tax</i>		
Tax expense for the period	-24,409	-26,917
Excise duties	-2,872	-3,277
Adjustment of tax attributable to previous year	-3,466	-3,723
	-30,747	-33,917
<i>Deferred tax (Note 25)</i>		
Occurrence and reversal of temporary differences	4,925	11,655
Deferred tax in the deductible value of loss carry-forwards changed in the year	-1,686	2,497
	3,239	14,152
Total reported tax expense, group	-27,508	-19,765
Parent company		
<i>Current tax</i>		
Tax expense for the period		
Excise duties	-630	-692
Adjustment of tax attributable to previous year		-3
	-630	-695
<i>Deferred tax (Note 25)</i>		
Occurrence and reversal of temporary differences	280	-228
Deferred tax in the deductible value of loss carry-forwards changed in the year	-1,033	2,497
	-753	2,269
Total reported tax expense, parent company	-1,383	1,574

Reconciliation of actual tax

SEK 000	2013	2012
Group		
Profit before tax	71,874	73,121
Tax at applicable rate, parent company	-15,812	-19,231
Tax effect of:		
- Other tax rates for foreign subsidiaries	-1,932	2,669
- Non-deductible expenses	-679	-1,214
- Non-taxable revenues	13	262
- Effects of loss carry-forwards, net	-1,686	2,497
- Effect of changed tax rate	-661	2,367
- Tax attributable to previous year	-3,466	-3,723
- Excise duties	-2,872	-3,277
- Other	-413	-115
Reported tax, Income Statement	-27,508	-19,765
Parent company		
Profit before tax	70,001	27,344
Tax at applicable rate, parent company	-15,400	-7,191
Tax effect of:		
- Non-deductible expenses	-102	-304
- Non-taxable revenues	14,762	9,591
- Tax attributable to previous year		3
- Standard-rate interest on tax allocation reserve	-12	-37
- Effect of changed tax rate on deferred tax		-488
- Excise duties	-630	-692
Reported tax, Income Statement	-1,383	1,574

Note 12

Intangible Assets

SEK 000	Goodwill	Development Expenditure	IT Expenditure	Trademarks & Brands	Customer Contracts	Technology Platforms	Total
Group							
Opening balance Jan. 1, 2012	442,020	131,752	47,445	93,317	106,392	16,476	837,402
Internally developed assets		18,558					18,558
Other investments			17,321				17,321
Reclassification							
Exchange rate differences for the year	-9,713	-101	-38	-2,108	-2,403	-372	-14,735
Closing balance Dec. 31, 2012	432,307	150,209	64,728	91,209	103,989	16,104	858,546
Opening balance Jan. 1, 2013	432,307	150,209	64,728	91,209	103,989	16,104	858,546
Purchased through business combinations	9,787				10,950		20,737
Internally developed assets		21,206					21,206
Other investments			3,176				3,176
Reclassification							
Exchange rate differences for the year	-3,917	100		-476	-1,556	-212	-6,061
Closing balance Dec. 31, 2013	438,177	171,515	67,904	90,734	113,383	15,892	897,605
<i>Accumulated amortization and impairment</i>							
Opening balance Jan. 1, 2012		-59,645	-13,379	-27,127	-40,922	-3,990	-145,063
Reclassification							
Amortization in the year		-19,500	-5,034	-4,164	-10,730	-2,278	-41,706
Exchange rate differences for the year		101	49	395	1,018	216	1,779
Closing balance Dec. 31, 2012		-79,044	-18,364	-30,896	-50,634	-6,052	-184,990
Opening balance Jan. 1, 2013		-79,044	-18,364	-30,896	-50,634	-6,052	-184,990
Reclassification							
Amortization in the year		-22,959	-6,433	-4,163	-11,250	-1,377	-46,182
Exchange rate differences for the year		-100		40	238	62	240
Closing balance Dec. 31, 2013		-102,103	-24,797	-35,019	-61,646	-7,367	-230,932
Carrying amounts							
As of Jan. 1, 2012	442,020	72,107	34,066	66,190	65,470	12,486	692,339
As of Dec. 31, 2012	432,307	71,165	46,364	60,314	53,355	10,052	673,556
As of Jan. 1, 2013	432,307	71,165	46,364	60,314	53,355	10,052	673,556
As of Dec. 31, 2013	438,177	69,412	43,107	55,715	51,737	8,525	666,673

The group reports the following intangible asset classes:

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

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

The parent company reports the following intangible asset classes:

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

IT Expenditure

SEK 000

Parent company	
<i>Accumulated cost</i>	
Opening balance Jan. 1, 2012	45,166
Other investments	17,236
Reclassification	
Closing balance Dec. 31, 2012	62,402
Opening balance Jan. 1, 2013	62,402
Other investments	3,014
Reclassification	
Closing balance Dec. 31, 2013	65,416
<i>Accumulated amortization and impairment</i>	
Opening balance Jan. 1, 2012	-11,433
Amortization in the year	-4,866
Reclassification	
Closing balance Dec. 31, 2012	-16,299
Opening balance Jan. 1, 2013	-16,299
Amortization in the year	-6,297
Reclassification	
Closing balance Dec. 31, 2013	-22,596
Carrying amounts	
As of Jan. 1, 2012	33,733
As of Dec. 31, 2012	46,103
As of Jan. 1, 2013	46,103
As of Dec. 31, 2013	42,820

The 'Automation' Unit

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

The forecast cash flows for a total of 5 years beyond 2013 have been based on yearly growth of revenues of 0–2% (3–6%) and expenses

Impairment Tests for Cash-generating Units Including Goodwill

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

SEK 000	2013	2012
Automation	16,093	15,676
HMI Products	169,708	161,784
IDC	252,376	254,847
Total goodwill value in group	438,177	432,307

Sensitivity Analysis for Cash-generating Units Containing Goodwill

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

	2013	2012
Discount rate	+2%	+2%
Sales growth	-2%	-2%

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

of 0–2% (3–7%). Perpetual growth of revenue and expenses of 2% (2) has been assumed subsequently.

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

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

The 'HMI' Unit

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

The forecast cash flows for a total of 5 years beyond 2013 have been based on yearly growth of revenues of 0–5% (1–13%) and expenses

of 0–5% (5–12%). Perpetual growth of revenue and expenses of 2% (2) has been assumed subsequently.

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

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

The 'IDC' Unit

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

The forecast cash flows for a total of 5 years beyond 2013 have been based on yearly growth of revenues of 0–5% (5–30%) and expenses

of 0–5% (5–54%). Perpetual growth of revenue and expenses of 2% (2) has been assumed subsequently.

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

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

Impairment Tests for Cash-generating Units Including Capitalized Development Expenses

The following cash generating unit, which is part of the segments for 'HMI' and 'IDC', has 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	2013	2012
HMI	38,106	40,447
IDC	31,306	30,718
Total value of capitalized development expenditure, group	69,412	71,165

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:

	2013	2012
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			Parent Company	
	Buildings and Land	Plant and Machinery	Equipment, Tools, Fixtures and Fittings	Total	Equipment, Tools, Fixtures and Fittings
<i>Cost</i>					
Opening balance Jan. 1, 2012	51,492	17,437	96,161	165,090	9,708
Purchase via business combination					
Other purchase	261	519	13,119	13,899	70
Reclassification		-710	1,535	825	-769
Disposals		-1,847	-4,328	-6,175	
Exchange rate differences	-207	-103	-1,016	-1,326	
Closing balance Dec. 31, 2012	51,546	15,296	105,471	172,313	9,009
Opening balance Jan. 1, 2013	51,546	15,296	105,471	172,313	9,009
Purchase via business combination		2,114	7,431	9,545	
Other purchase		1,922	14,056	15,978	638
Reclassification					
Disposals			-2,569	-2,569	-898
Exchange rate differences	-1,444	-250	-1,685	-3,379	
Closing balance Dec. 31, 2013	50,102	19,082	122,704	191,888	8,749
<i>Depreciation</i>					
Opening balance Jan. 1, 2012	-18,234	-9,053	-60,470	-87,757	-7,650
Depreciation in the year	-1,522	-2,235	-13,782	-17,539	-919
Reclassification		-14	-1,406	-1,420	-157
Disposals		1,824	5,748	7,572	776
Exchange rate differences	23	54	780	857	
Closing balance Dec. 31, 2012	-19,733	-9,424	-69,130	-98,287	-7,950
Opening balance Jan. 1, 2013	-19,733	-9,424	-69,130	-98,287	-7,950
Depreciation in the year	-1,236	-2,390	-14,138	-17,764	-553
Reclassification					
Disposals			2,353	2,353	803
Exchange rate differences	248	207	522	977	
Closing balance Dec. 31, 2013	-20,721	-11,607	-80,393	-112,721	-7,700
<i>Carrying amount</i>					
As of Jan. 1, 2012	33,258	8,384	35,691	77,333	2,058
As of Dec. 31, 2012	31,813	5,872	36,341	74,026	1,059
As of Jan. 1, 2013	31,813	5,872	36,341	74,026	1,059
As of Dec. 31, 2013	29,381	7,475	42,311	79,167	1,049

Note 14

Participations in Group Companies

SEK 000	Dec. 31, 2013	Dec. 31, 2012
<i>Accumulated cost</i>		
At beginning of year	297,232	297,232
Acquired companies	85,494	
Incorporated companies	659	
Carrying amount at end of year	383,385	297,232

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

SEK 000			Dec. 31, 2013	Dec. 31, 2012
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	7,735
Beijer Electronics AS, 912965058, Drammen	1,117	100.0		
Beijer Electronics Oy, 245.223, Helsinki	50	100.0		
Beijer Electronics UAB, 111760799, Vilnius	285	100.0		
Beijer Electronics SIA, 40003540103, Riga	501	100.0		
Beijer Electronics Eesti Oü, 10668940, Tallinn	1	100.0		
Beijer Electronics A/S, 56162712, Roskilde	1,000	100.0		
Brodersen Automation AS, 957004083, Drammen	300	100.0		
Brodersen Automation AB, 556288-8650, Malmö	3,000	100.0		
Beijer electronics Products AB, 556701-4328, Malmö	1,000	100.0	100	100
Beijer Electronics Holding Inc., 36-4027234, Chicago	1,000	100.0		
Beijer Electronics Inc., 87-0396688, Salt Lake City	10	100.0		
Beijer Electronics Holding GmbH, 22383, Unterensingen	1	100.0		
Beijer Electronics Verwaltungs GmbH, HRB 22383 Unterensingen	1	100.0		
Beijer Electronics GmbH & Co. KG, HRA 222129, Unterensingen	1	100.0		
Beijer Electronics Trading (Shanghai) Co, Ltd, Shanghai	1	100.0		
Beijer Electronics Corp., 05027350, Taipei	116,534	100.0		
Westermo teleindustri AB, 556361-2604, Stora Sundby	100,000	100.0	212,792	212,792
Westermo Data Communications AB, 556687-8962, Västerås	1,000	100.0		
Westermo Research and Development AB, 556710-8856, Västerås	1,000	100.0		
Westermo Fastighets AB, 556288-4360, Eskilstuna	10,000	100.0		
Westermo OnTime AS, 981567560, Oslo	2,353,724	100.0		
Westermo Data Communications Ltd., 3059742, Southampton	50,000	100.0		
Westermo Data Communications GmbH, 30070-54742, Waghäusel	50,000	100.0		
Westermo Data Communications SARL, 4333142590001, Champlan	7,624	100.0		
Westermo Data Communications Pte Ltd., 200707554, Singapore	1	100.0		
Korenix Technology Co., Ltd, Taipei ^b	18,467,000	100.0	100,903	76,403
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 Paulo ^c	52,492	100.0	202	202
Beijer Electronics India Private Ltd, U31103PN2012FTC144166, Pune ^d	300,000	100.0	659	
Beijer Elektronik ve Tic. A.Ş, 556233, Istanbul	1,527	90.0	20,971	
			383,385	297,232

^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, 2013	Dec. 31, 2012
Group		
Carrying amount at beginning of year		451
Participations in associated companies' profit or loss ^a		
Purchase	73,585	
Disposal		
Reclassification to group companies		-451
Translation difference		
Carrying amount at end of year	73,585	

^a Participation in associated company profit or loss after tax and minority interest in the associated company.

Company, Reg. Office

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Carrying amount		
HCA Participações S.A., Sao Leopoldo, Brazil	73,585	

In the year, 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 Automação S.A. Altus develops and manufactures high-technology control systems.

Note 16

Long-term Receivables from Group Companies

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Parent company		
<i>Accumulated cost</i>		
At beginning of year	324,673	269,870
Additional receivables	25,264	88,557
Amortization for the year	-11,052	-26,278
Currency differences for the year	1,023	-7,476
Carrying amount at end of period	339,908	324,673

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 0.6–5.0% (0.6–5.0).

Note 17

Other Long-term Receivables

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
<i>Accumulated cost</i>		
At beginning of year	1,395	5,541
Additional receivables	1,541	412
Amortization/reclassification for the year	-854	-4,481
Exchange rate differences for the year	-10	-77
Carrying amount at end of period	2,072	1,395

Fair value corresponds to book value.

Note 18

Inventories

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
Raw materials and consumables	103,340	130,768
Finished goods and goods for resale	95,365	108,610
Work in progress	11,906	2,070
Advance payments to suppliers	5	15
Goods in transit	1,571	2,083
	212,187	243,546

Note 19

Accounts Receivable and Other Current Receivables

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
Accounts receivable	201,616	218,242
Provision for doubtful debt	-3,142	-4,192
Accounts receivable – net	198,474	214,050
Other receivables	14,055	31,041
Prepaid expenses and accrued income	17,645	11,285
	230,174	256,376

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 952,000 SEK (613,000). 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.

Carrying amounts by currency for the group's accounts receivable and other receivables are as follows:

SEK 000	Dec. 31, 2013	Dec. 31, 2012
EUR	44,591	51,030
USD	61,134	65,099
NOK	9,491	14,216
DKK	9,782	12,323
NTD	21,642	18,845
GBP	12,450	9,519
SEK	53,514	67,889
Other currencies	17,570	17,456
	230,174	256,376

Prepaid Expenses and Accrued Income

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
Rents	4,584	4,368
Insurance	1,157	1,360
Lease payments	923	1,088
Bank charges	575	459
IT charges	2,018	763
Other items	8,388	3,248
	17,645	11,285
Parent Company		
Rents	2,457	2,145
Insurance	566	754
Lease payments	334	86
Bank charges	575	459
IT charges	983	763
Other items	605	552
	5,520	4,759

Note 20

Earnings per Share

SEK 000	2013	2012
Net profit	44,219	49,939
Number of outstanding shares ^a	19,068	18,934
Earnings per share, SEK^a	2.32	2.64
Dividends paid per share, SEK^b	1.25	2.25

^a The number of shares increased by 133,122 in 2013 through a new share issue relating to a share warrant program, and amounts to 19,067,586 (18,934,464).

^b Proposed dividend for 2013 is 1.25 SEK.

Note 21

Untaxed Reserves

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Parent company		
<i>Accumulated depreciation over plan</i>		
Equipment	2,625	2,625
<i>Tax allocation reserves</i>		
Provision for taxation 2008		3,940
Provision for taxation 2009	250	250
Provision for taxation 2010	1,050	1,050
	3,925	7,865

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.

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
Long-term liabilities		
Pension provisions	71,532	74,301
Bank loans	380,456	391,000
Finance lease liabilities	8,725	5,747
Other interest-bearing liabilities	14,532	
	475,245	471,048
Current liabilities		
Overdraft facility	153,799	135,849
Short-term portion of bank loans	60,039	40,000
Short-term portion of finance lease liabilities	4,384	3,194
Other interest-bearing liabilities	14,309	
	232,531	179,043

Finance Lease Liabilities

Finance lease liabilities become due for payment as follows:

SEK 000	Minimum Lease Payments	Interest	Principal
Group 2013			
Within one year	3,771	450	3,321
Between one and five years	5,540	400	5,140
	9,311	850	8,461
Group 2012			
Within one year	2,529	251	2,278
Between one and five years	6,314	255	6,059
	8,843	506	8,337

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

Credit Terms

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

Total Leverage

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

Interest Coverage Ratio

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

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

Note 23

Liabilities to Credit Institutions

SEK 000	2013	2012
Parent Company		
Long-term liabilities		
Bank loans	380,456	391,000
	380,456	391,000
Current liabilities		
Overdraft facility	153,799	135,849
Short-term portion of bank loans	60,039	40,000
	213,838	175,849

Note 24

Pension Provisions, etc.

Defined-benefit Obligations

SEK 000	2013	2012
Group		
<i>Defined-benefit obligations</i>		
Present value of funded obligations	17,601	18,116
Fair value of plan assets	-12,327	-12,084
Deficit in funded plans	5,274	6,032
Present value of unfunded plans	66,258	68,269
Net amount in Balance Sheet	71,532	74,301
<i>The net amount is divided between plans in the following countries:</i>		
Sweden	65,718	68,269
Taiwan	5,814	6,032
Net Amount in Balance Sheet	71,532	74,301

Pension Expense

SEK 000	2013	2012
<i>Defined-benefit plans</i>		
Expense for pensions accrued in the year	3,663	2,939
Interest expense	2,720	2,223
Net profit/loss item, actuarial gain/loss	0	991
Expense for defined-benefit plans	6,384	6,154
Expense for defined-contribution plans	20,061	18,009
Payroll tax and tax on profits	3,531	3,311
Total expense, defined-contribution plans	23,592	21,320
Total expense for remuneration after terminated employment	29,976	27,474

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	2013	2012
Amount at beginning of year	74,301	65,020
Expense for defined-benefit plans	6,384	6,154
Contributions from employees	-1,037	-1,007
Disbursement of benefits	-375	-302
Actuarial revaluations	-7,803	5,504
Translation difference	62	-1,067
Amount at the end of year	71,532	74,301

Actuarial Assumptions

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

SEK 000	2013	2012
Discount rate, %	3.81	3.37
Future salary increases, %	3.50	3.50
Future pension increases, %	2.00	2.00
Staff turnover, %	6.49	6.35
Expected remaining term of employment, yr.	22.62	22.03
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 the adjusted discount rate on the present value of commitments as of December 31, 2013 is stated below.

SEK 000		
Adjusted discount rate (percentage point)	-0.50%	+0.50%
Present value of obligations (+ increase/- decrease) incl. unrecognized actuarial gain or loss	8,793	-7,510

Estimate for the coming financial year

SEK 000	2014
Defined-benefit obligations	
Expense for pensions accrued in the year	3,683
Interest expense	3,042
Total	6,725

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.

Change of Accounting Principle

IAS 19 "Employee Benefits" was amended in June 2011. This amendment means that starting from 2013, the group will recognize all actuarial profits and losses in other comprehensive income as they occur, and the net value of pension obligations in the Balance Sheet includes accumulated actuarial profit or loss. Comparative figures in the notes have been restated. The effect of this change of principle on the comparative figures is stated below.

Note 24 cont.

Pension Provisions, etc.

Effect of Changed Accounting Principle

SEK 000	According to Previous Principle Dec. 31, 2012	Transition Effect	According to New Principle Dec. 31, 2012
Assets			
Non-current assets	769,742	6,950	776,692
Current assets	518,834		518,834
Cash and cash equivalents and short-term investments	128,469		128,469
Total assets	1,417,045	6,950	1,423,995
Equity and liabilities			
Equity attributable to parent company shareholders	415,843	-31,443	384,400
Non-controlling interests	21,316		21,316
Long-term liabilities	507,220	38,393	545,613
Current liabilities	472,666		472,666
Total equity and liabilities	1,417,045	6,950	1,423,995
<i>Of which interest-bearing liabilities</i>	618,498	31,593	650,091

Note 25

Deferred Tax

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

SEK 000	Deferred Tax Asset	Deferred Tax Liability	Net
Group Dec. 31, 2012			
Intangible assets		43,777	-43,777
Buildings and land	3,615	1,764	1,850
Inventories	5,817	183	5,635
Accounts receivable	14		14
Pension provisions	8,717	106	8,611
Untaxed reserves		13,822	-13,822
Other provisions	101		101
Loss carry-forwards	4,807		4,807
Other	4,644	1,405	3,239
Deferred tax liability, net	27,715	61,057	-33,342

SEK 000	Amount at Beginning of Year	Recognized in Income Statement	Business Combinations	Exchange Rate Differences etc.	Amount at End of Year
Group					
Intangible assets	-43,777	3,571	-2367	323	-42,250
Buildings and land	1,850	-675			1,175
Inventories	5,635	1,730		-184	7,181
Accounts receivable	14	-14			
Pension provisions	8,611	517		96	9,224
Untaxed reserves	-13,822	1,511			-12,311
Other provisions	101	-101			
Loss carry-forwards	4,807	-1,685		3,020	6,142
Other	3,239	-1,615		1,854	1,178
	-33,342	3,239	-2,367	5,109	-27,361

Note 26

Other Provisions

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Opening balance	2,577	1715
Recognized in Income Statement:		
– additional provisions	6,409	288
– reversed unutilized amounts	-113	-200
Utilized in year	-1,514	-137
Reclassification		919
Exchange rate differences	14	-8
Closing balance	7,373	2,577

5,274 MSEK (2,241) of the closing balance for the year is provisions for guarantees.

Note 28

Financial Risks and Finance Policies

Net Debt

Net debt and equity as of December 31, 2013 and 2012 respectively were as follows:

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Interest-bearing liabilities	707,776	650,091
Less: cash and cash equivalents	-147,926	-128,469
Net debt	559,850	521,622
Total equity	396,163	405,716

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	Nominal Amount in Original Currency
Bank loans:				
Bank loan	3.18	90 days	89 days	SEK 120,000
Bank loan	3.34	90 days	58 days	SEK 120,000
Bank loan	3.19	90 days	78 days	SEK 45,000
Bank loan	3.30	90 days	72 days	SEK 46,000
Bank loan	3.33	90 days	70 days	SEK 60,000
Bank loan	3.30	90 days	72 days	SEK 29,000
Bank loan	2.84	7 days	7 days	SEK 20,000
Overdraft facility ^a	0.85-2.20	90 days		SEK/EUR/USD/NOK/GBP 153,799

^a The overdraft facility has contracted interest of 0.30% on credit granted.

Note 27

Accrued Expenses and Deferred Income

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
Accrued salaries and vacation pay	41,692	36,366
Accrued social security expenses	22,977	20,211
Accrued interest	886	
Other items	27,041	21,531
	92,596	78,108
Parent company		
Accrued salaries and vacation pay	3,628	2,852
Accrued social security expenses	3,639	3,844
Accrued interest	886	
Other items	2,059	8,764
	10,212	15,460

Transaction Exposure

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

SEK 000	Amount	%
Group 2013		
NOK	93,688	17.6
DKK	50,408	9.5
EUR	181,840	34.1
GBP	48,100	9.0
USD	112,350	21.1
Other currencies	46,977	8.8
	533,363	100.00

Translation Exposure

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

Currency/Amount, 000	Foreign Currency	Swedish Currency	%
Group 2013			
NTD	1,166,388	252,523	40.39
EUR	8,217	73,484	11.75
NOK	6,242	6,604	1.06
DKK	21,075	25,261	4.04
USD	30,029	195,441	31.26
GBP	1,552	16,657	2.66
CNY	22,507	24,155	3.86
Other currencies		31,139	4.98
	625,264	100.00	

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 0.85 and 3.34% (0.82–3.20%). The average interest factor for the year is approximately 3.3%. An interest rate fluctuation of 1% would affect consolidated profit before tax by some 6 MSEK (6).

Credit Risks

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

Advance payments, bank guarantees or other collateral are necessary for customers with low credit ratings or insufficient credit history. In the group, accounts receivable more than 120 days overdue are generally 100% provisioned. However, consideration should be taken to the incidence of credit insurance, etc. Additionally, individual assessments are made where necessary. The cost of doubtful and bad debt in 2013 was 1.0 MSEK (0.6), or 0.07% (0.05) of group sales.

Currency Risks

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

The largest purchase currencies for Beijer Electronics are the EUR, USD and SEK. The largest invoicing currencies are EUR, SEK,

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

The parent company evaluates its net exposure to each purchasing and sales currency on an ongoing basis with the aim of judging the effect on consolidated profit. A 10% depreciation/appreciation of the Swedish krona against a basket of the most important currencies would increase/decrease sales by some 99 MSEK and EBIT by some 6–8 MSEK, given year-2013 levels and mix of sales and earnings. 81% (80) of group sales are in foreign currency.

Liquidity Risks

Beijer Electronics has loans that become due for payment at different times. An overdraft facility represents a portion of these loans, which has a contracted one-year term, but can be renewed for 12 months at the end of its term without renewed evaluation. The group's acquisition finance has been aggregated in single acquisition funding facilities with variable interest and straight-line amortization. The group is within the limits of the terms of credit issued by lenders as guarantees for credit issuance. The group's current banking agreement expires on October 26, 2014, and negotiations on a new agreement are ongoing.

Capital Risk

The group's capital tie-up level remains higher than desirable, despite major improvements in 2013. Capital tie-up partly reflects continued challenges in terms of end-of-life issues, and partly the somewhat higher inventory level that a diversified geographical presence implies. 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

SEK 000	Group		Parent Company	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Pledged Assets	None	None	None	None
Contingent liabilities				
Guarantee commitments, FPG/PRI	874	800	76	67
Guarantee commitments in favor of subsidiaries ^a			28,058	453
Other				
Total contingent liabilities	874	800	28,134	520

^a The subsidiary Beijer Electronics Inc., with registered office in Salt Lake City, signed a new, eight-year rental agreement in the year. Beijer Electronics AB is guarantor of this agreement.

Note 30

Related Parties

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

Summary of transactions with related parties

Related Party Relationship	Year	Sales of Services to Related Party	Purchases of Services from Related Party	Receivable from Related Party as of December 31	Liability to Related Party as of December 31
Subsidiaries	2013	60,701	631	380,886	125,112
Subsidiaries	2012	64,128		352,340	32,342

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

Note 31

Cash Flow

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Cash and cash equivalents—group		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	147,926	128,469
Total, Balance Sheet	147,926	128,469
Total, Cash Flow Statement	147,926	128,469
Cash and cash equivalents—parent company		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	11,958	269
Total, Balance Sheet	11,958	269
Total, Cash Flow Statement	11,958	269

Interest paid and dividend received

	Group		Parent Company	
SEK 000	2013	2012	2013	2012
Dividend received			66,959	18,771
Interest received	469	1,243	4,126	7,481
Interest paid	-20,929	-22,964	-19,883	-20,219
	-20,460	-21,721	51,202	6,032

Adjustments for items not included in cash flow

	Group		Parent Company	
SEK 000	2013	2012	2013	2012
Depreciation, amortization and impairment	63,946	59,245	6,850	5,785
Pension provisions	5,054	3,777		377
Other provisions	3,966	762		
Net translation differences	-3,171	-2,865		151
Other	-274	-4,250	437	
	69,521	56,670	7,287	6,313

Unutilized credit facilities

	Group		Parent Company	
SEK 000	2013	2012	2013	2012
Unutilized credit facilities amount to	46,201	88,266	46,201	88,266

Note 32

Other Liabilities

SEK 000	Dec. 31, 2013	Dec. 31, 2012
Group		
Other long-term liabilities		
Present value, additional purchase price	19,730	
Other long-term liabilities	8,947	10,931
	28,677	10,931
Other current liabilities		
Present value, additional purchase price	14,309	55,865
Other current liabilities	26,171	23,113
	40,480	78,978

The reported additional purchase prices for 2013 relate to the acquisition of Petek Teknoloji Ltd. (now Beijer Elektronik ve Tic. A.Ş.), and the acquisition of a 15% minority of the shares of Beijer Electronics Automation AB. The additional purchase price for the acquisition of Petek Teknoloji is performance related, and the valuation has been conducted based on group management's best judgment of final outcomes. The reported additional purchase price for 2012 relates to the acquisition of QSI Corporation (now Beijer Electronics Inc.) and Korenix Technology. In both these cases, final settlement of the remaining additional purchase price was in March 2013, implying financial revenue of 2,136,000 SEK. The outstanding liability for an additional purchase price is recognized at the closing day rate.

Note 33

Business Combinations

In May 2013, Beijer Electronics acquired 90% of Turkish automation company Petek Teknoloji. Petek, which has been Beijer Electronics' distributor in Turkey since 2005, is a full-range automation vendor, with annualized sales of 13 MSEK in 2012. The acquisition meant Beijer Electronics gained a direct channel to a growing market, with ongoing investment in the automotive and water and waste industries. After the acquisition, Petek Teknoloji was renamed Beijer Elektronik ve Tic. A.Ş.

SEK 000	2013
Purchase price	
Cash and cash equivalents	15,501
Present value of additional purchase price	5,470
Total purchase price	20,971

Reported Amount of Identifiable Acquired Assets and Liabilities Taken Over

SEK 000	2013
Customer contracts	10,854
Property, plant and equipment	270
Current assets	6,089
Cash and cash equivalents	2,577
Long-term liabilities	558
Current liabilities	3,353
Deferred tax liabilities	2,367
Total identified acquired assets and liabilities taken over	13,512
Goodwill	9,787
Minorities	2,328
Total	20,971
Acquisition-related expenses	269

The purchase price consists of a base purchase price and a variable additional purchase price. The final additional purchase price will be settled on February 28, 2016, and is dependent on sales and profit performance in the financial year 2015. The fair value of the additional purchase price has been computed by applying an estimated risk-free interest rate corresponding to the term, of 1.0%.

Beijer Elektronik ve Tic. A.Ş. has been consolidated since May 1, and contributed sales revenue of 11,947,000 SEK and operating profit of 696,000 SEK. This company has 12 employees.

In May 2013, Beijer Electronics bought back the 15% minority stakeholding Mitsubishi Electric held in the Automation business area. This re-purchase streamlines the relationship with Mitsubishi Electric, which is a supplier and customer of Beijer Electronics. The purchase price was 40,023,000 SEK of which 13,341,000 SEK was paid in 2013 and the remainder paid in equal portions in January 2014 and January 2015. The re-purchase reduced accumulated profit or loss attributable to parent company shareholders by SEK 18,862,000.

Note 34

Subsequent Events

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

Note 35

Parent Company

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

The Consolidated Accounts for 2013 include the parent company and its subsidiaries, collectively termed the group. The group also includes participations in associated companies.

Corporate Governance Report 2013

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

The Corporate Governance Report for the financial year 2013 has been prepared in accordance with the Code's recommendations, and Beijer Electronics is not reporting any instances of non-compliance with the Code for 2013. The company's Auditors have performed a statutory review of the Corporate Governance Report.

Shareholders and Articles of Association

There were 3,488 (3,491) 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, just under 15% (15) was held by foreign investors. Share capital is 6,355,862 SEK divided between 19,067,586 shares. Share capital shall be a minimum of 2,000,000 SEK and a maximum of 8,000,000 SEK. Each share has a quotient value of approximately 0.33 SEK. All shares have one vote and equal entitlement to the company's assets and profits. For more information on the share and shareholders, see pages 94–95. Information on shareholders is updated semi-annually and is also available at the group's website, www.beijerelectronics.se.

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

AGM 2013

Beijer Electronics' AGM was held on April 23, 2013. 69 shareholders attended the Meeting personally or by proxy, representing some 62% 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 2012. In his presentation, Beijer Electronics' CEO and President Fredrik Jönsson reviewed operations in 2012 and progress in the first quarter of 2013. The Auditors reported their observations of the company's accounting records and administration to the Meeting, and reviewed their work over the past year. The minutes of the Meeting are available from Beijer Electronics and have been published on the company's website. Some of the resolutions of the meeting follow:

- To pay 1.25 SEK per share as dividend for the financial year 2012, in accordance with the Board of Directors' proposal.
- The Board of Directors shall consist of seven (7) members with no deputies.
- To re-elect the Board members Bert-Åke Eriksson, Ulrika Hagdahl, Anders Ilstam, Maria Khorsand and Fredrik Jönsson members in accordance with the Nomination Committee's proposal. Stig-Arne Blom declined re-election.

- To elect Bo Elisson and Christer Öjdemark as new Board members 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.
- Processes for appointment and work of the Nomination Committee.
- To adopt the Board of Directors' proposed guidelines for remunerating senior managers.
- To authorize the Board of Directors to decide to increase the company's share capital by a maximum of 631,000 SEK through the new issue of a maximum of 1,893,000 shares on one or more occasions in the period until the next AGM.
- To appoint registered public accounting firm PricewaterhouseCoopers AB as Auditors for the period until the end of the AGM 2016.

The Nomination Committee for the AGM 2014

The Nomination Committee was presented on October 2, 2013 and has five members, with one representative of each of the four largest shareholders at the time of publication (holdings on Aug 30, 2013), and the Chairman of the Board. Karl-Magnus Sjölin, representing Stena Sessan Rederi AB, led the work of the Nomination Committee. The Nomination Committee's duty is to prepare proposals for Board members, the Chairman of the Board, fees to Board members and Auditors, and Chairman of the next AGM. The Nomination Committee remains in place until a new Committee is appointed. The Nomination Committee held one meeting where minutes were taken. A number of informal telephone and email discussions were also held. In addition, all Board members have been interviewed by the Nomination Committee.

Name	Owner's Representative Of	Share of Votes Aug. 30, 2013
Karl-Magnus Sjölin, convening	Stena Sessan	29.79 %
Claes Murander	Lannebo Fonder	9.8 %
Per Trygg	SEB Fonder (SEB Asset Management + SEB Investment Management)	16 % (9.53 % + 6.47 %)
Arne Löf	Fjärde AP-fonden	4.66 %
Anders Ilstam, Chairman of the Board		
Total		60.25 %

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

When preparing its proposal for the Board of Directors, the Nomination Committee especially considered the requirements set by the company's strategic development, international operations and control and monitoring for the Board's competence and composition. The Board of Directors' requirements for versatility and breadth in terms of competence, experience and background, and the Board of Directors' ongoing need for regeneration was also considered.

The Nomination Committee's proposal for the Board of Directors to the AGM was presented on January 30, 2014. The Nomination Committee is proposing that Bert Åke Eriksson, Maria Khorsand, Ulrika Hagdahl, Bo Elisson, Christer Öjdemark, Fredrik Jönsson 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 Bert Åke Eriksson, are not affiliated to Beijer Electronics' major shareholders. All Board members, apart from the Chief Executive Officer, 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 2013, Beijer Electronics AB's Board of Directors had seven ordinary 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 89.

The Role of the Chairman of the Board

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

The Board of Directors' Working Methods

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

supporting documentation provided to Board members in good time before each Board meeting.

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

The Board of Directors appraises its own work and that of the Chief Executive Officer on an ongoing basis. Previously, a formal appraisal was conducted at the October Board meeting, led by the Chairman of the Board. This year, as in 2012, a decision was taken to delegate conducting in-depth interviews with all members to the Nomination Committee instead.

Work of the Board in 2013

In the financial year 2013, the Board of Directors held ten (10) Board meetings in addition to the Board meeting following election. Extensive contact was maintained between the company, the Chairman of the Board and other members between Board meetings. The company's Auditors attended the first Board meeting of the year, reporting their observations on the group's internal controls and financial statement. The Auditors met the Board of Directors' Audit Committee on one other occasion.

Remuneration Committee

The Remuneration Committee is appointed yearly by the Board of Directors. The Remuneration Committee consults on the Board of Directors' decisions on remuneration of the Chief Executive Officer, decides on remuneration to other senior managers and consults on proposals for potential incentive plans. The Remuneration Committee collects decision support data and views from other Board members, the CEO and CFO. The Committee also collects comparative decision support data externally. In 2013, the members of the Remuneration Committee were Anders Ilstam and Bert Åke Eriksson. In the financial year 2013, the Remuneration Committee held two (2) meetings where minutes were taken. No special remuneration for Committee work was paid. Guidelines for remunerating senior managers for the financial year 2014 will be approved at the AGM in April.

Audit Committee

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

for other services apart from auditing the company can purchase from the company's auditors. The complete guidelines are available at the company's website.

Remuneration to the Board and Management in 2013

In 2013 the Chief Executive Officer of the parent company, also President of the group, and other senior managers drew basic salary and other benefits that are reported in Note 7, page 64–65. In the table, other senior managers mean the nine people that made up group management in 2013 alongside the Chief Executive Officer.

Remuneration to the CEO

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

Remuneration to Other Senior Managers

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

Incentive Plans

The purpose of incentive plans is to promote senior management's commitment to the group's progress and thus increase value for the group's shareholders. In 2008–2009, senior managers were offered the opportunity to acquire warrants. This plan has two series of options, of 90,000 in each series. The warrants are issued on market terms calculated according to the Black & Scholes formula, and have terms of three and five years respectively. The first series expired in May 2011, and the second expired in May 2013. The original subscription prices were 175.50 SEK and 182.50 SEK respectively. Due to the split executed in 2011, the subscription price and number of shares each option confers entitlement to was restated for the subscription period in May 2013.

49% of the warrants that expired in May 2013 were utilized, meaning that the company raised SEK 8,093,818 in equity and the number of shares increased by 133,122.

With the support of the guidelines for remunerating senior managers resolved by the AGM, an incentive program for 30 key employees of the group was implemented in 2011. This program involves 3% of the company's profit after tax being provisioned for payment after three years pro rata with the participants' salary at the time of provisioning. The condition for provisioning in 2013 is minimum earnings per share of 7.23 SEK, which the group did not achieve.

Directors' Fees

The Directors' fees resolved by the AGM in April 2013 were 1,625,000 (1,250,000) SEK in 2013 and are allocated according to the table on page 87.

Management and Corporate Structure

The Chief Executive Officer is responsible for Beijer Electronics' ongoing administration, which covers all matters that are not reserved for the Board and administered by management. Instructions approved by the Board of Directors formalize the Chief Executive Officer's authorization to make decisions regarding investments, company acquisitions and divestments and finance matters. Group management consists of the Chief Executive Officer, three Regional Directors, two Business Area Directors of IDC and Automation, one Operations Director, the CFO, and HR and Business Development Directors. At present, the CEO also serves as Business Area Director of HMI Products, the largest business area.

Group management meetings are held regularly to discuss the group's strategic and operational progress and to monitor results of operations. For more information on the members of group management, see the group's website and page 91.

Business Areas

Beijer Electronics' operations are organized into three business areas. The group has a decentralized corporate structure, where the management of operating activities is largely exercised by the management of each business area. The Managers of each Business Area are members of group management and are responsible for the results of operations and balance sheets of their business areas. External reporting of the group's operations is divided into the following three business areas: Automation, HMI Products and IDC.

Internal Control over Financial Reporting

In tandem with adopting the Interim Report for the third quarter and annual Financial Statement, the company's Auditors report their observations from auditing and evaluating the company's internal controls. According to the Swedish Companies Act, the Board is responsible for internal controls. This responsibility includes issuing 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

Work of the Board of Directors in 2013

Ordinary Board member	Elected Yr.	Position	Audit Committee	Remuneration Committee	Attendance		Affiliation to	
					Board Meetings	Fees, SEK	Beijer Electronics	Major Shareholders
Anders Ilstam	2002	Chairman	2/2	2/2	10/10	500,000	no	no
Stig-Arne Blom	2006	Member	1/2	-	4/10	-	no	no
Bert Åke Eriksson	2002	Member	1/2	2/2	9/10	225,000	no	yes
Ulrika Hagdahl	2006	Member	2/2	-	10/10	225,000	no	no
Maria Khorsand	2010	Member	2/2	-	10/10	225,000	no	no
Bo Elisson	2013	Member	1/2	-	7/10	225,000	no	no
Christer Öjdemark	2013	Member	1/2	-	6/10	225,000	no	no
Fredrik Jönsson	2008	CEO	-	-	10/10	-	yes	no

Stig-Arne Blom resigned, and Bo Elisson and Christer Öjdemark were elected, at the AGM 2013. Remuneration in the above table is as resolved by the AGM in April 2013.

applying applicable accounting standards and other requirements of listed companies.

Control Environment, Risk Assessment and Control Structures

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

Defined decision-paths, authorizations and responsibilities are communicated through internal instructions, regulations and policies adopted by the Board of Directors. The group's primary financial controlling documents are the overarching 'Corporate Manual', a reporting manual and audit manual, including instructions for each financial statement. Beijer Electronics has an established control structure to manage the risks the Board and management consider significant to internal controls regarding the group's accounting organization.

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

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

Financial Reporting and Information

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

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

Insider Policy

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

Code of Conduct

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

Values

Beijer Electronics' values – Commitment, Drive and Trust – constitute a long-term commitment linked to its business concept, goals and strategy, guiding employees in daily activities. 'Commitment' reflects commitment to maximize customer benefit and closeness in relationships with customers, collaboration partners and employees.

'Drive' illustrates proactivity and a go-ahead approach in attitudes and technology development. 'Trust' represents honesty and conduct that inspires trust.

Board of Directors' Certification

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

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

The Consolidated Income Statement and Consolidated Balance Sheet and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to adoption at the AGM on April 23, 2014.

Malmö, Sweden, March 21, 2014

Anders Ilstam
Chairman

Christer Öjdemark

Maria Khorsand

Fredrik Jönsson
Chief Executive Officer

Ulrika Hagdahl

Bert Åke Eriksson

Bo Elisson

Our Audit Report was presented on March 24, 2014
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Auditor in Charge

Magnus Jönsson
Authorized Public Accountant

Board of Directors



Anders Ilstam *Born in 1941*

Chairman of the Board since 2005.
Board member since 2002. Engineer.

Formerly Deputy CEO of Sandvik AB, CEO of Sandvik Mining & Construction and several positions within Sandvik, the SKF group and Beijerinvest AB. Chairman of Grimaldi Industri AB, 3nine AB, Svedbergs AB and Kellve Group AB.

Holdings in Beijer Electronics AB:
5,000 shares.



Christer Öjdemark *Born in 1951*

Board member since 2013.
M.Sc. (Eng.)

Formerly CEO of Envac AB. Active for many years in companies including BT Industries and Danfoss. Board member of Proplate AB.

Holdings in Beijer Electronics AB:
2,000 shares.



Maria Khorsand *Born in 1957*

Board member since 2010.
M.Sc.

CEO and President of SP Technical Research Institute of Sweden. Previously held various directorships at Ericsson, OMX Technology and Dell Sweden AB. Board member of Sveriges Lantbruksuniversitet (SLU) and SOS Alarm Sverige AB.

No holdings in Beijer Electronics AB.



Fredrik Jönsson *Born in 1962*

Board member since 2008.
M.Sc. (Eng.)

CEO and President of Beijer Electronics AB. Formerly CEO of Crawford Group AB, CEO of Flexlink AB and SKF's subsidiary in Vietnam. Board member of Perten Instruments AB.

Holdings in Beijer Electronics AB:
16,000 shares. No holdings in affiliated companies.



Ulrika Hagdahl *Born in 1962*

Board member since 2006.
M.Sc. (Eng.)

CEO of Cancale Förvaltnings AB, founder of ORC Software AB. Board member of IFS AB and HiQ International AB.

Holdings in Beijer Electronics AB:
30,000 shares via company.



Bert Åke Eriksson *Born in 1944*

Board member since 2002.
B.A.

CEO of Stena Sessan AB. Former Departmental Secretary of the Swedish Ministry of Transport and Communications, CEO of Rederi AB Gotland, CEO of United Tankers AB. Chairman of Meda AB.

Holdings in Beijer Electronics AB:
61,371 shares.



Bo Elisson *Born in 1950*

Board member since 2013.
M.Sc. (Eng.)

Long-term experience with ASEA/ABB, including Business Area Manager of ABB Robotics. Chairman of Empower Oy, Finland.

Holdings in Beijer Electronics AB:
5,000 shares.

Auditors

Sofia Götmar-Blomstedt *Born in 1969*

Authorized Public Accountant,
PricewaterhouseCoopers AB.
Auditor of Beijer Electronics AB since 2008.

Magnus Jönsson *Born in 1973*

Authorized Public Accountant,
PricewaterhouseCoopers.
Auditor of Beijer Electronics AB since 2012.

Information on Board members' non-affiliation/affiliation to the company and major shareholders is in the Corporate Governance Report on page 87.

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 2013 with the exception of the Corporate Governance Report on pages 84–87. The Annual Accounts and Consolidated Accounts of the Company are included in the printed version of this document on pages 42–88.

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, 2013 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, 2013 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 84–87. 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 2013. 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 84–87 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 24, 2014 – PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Auditor in Charge

Magnus Jönsson
Authorized Public Accountant

Senior Executives



Fredrik Jönsson *Born in 1962*
CEO and President
With Beijer Electronics since 2008.
Holdings in Beijer Electronics AB: 16,000 shares.
No holding in affiliated companies



Anna Belfrage *Born in 1962*
CFO
With Beijer Electronics since 2011.
Holdings in Beijer Electronics AB:
1,300 shares.



Tim Webster *Born in 1967*
VP HR
With Beijer Electronics since 2011.
Holdings in Beijer Electronics AB:
1,100 shares.



Joakim Nideborn *Born in 1983*
VP Business Development
With Beijer Electronics since 2013.
No holding in Beijer Electronics AB.



Sven Knutsson *Born in 1964*
VP Operations Industrial Automation
With Beijer Electronics since 2013.
Holdings in Beijer Electronics AB:
3,000 shares.



Lars-Ola Lundkvist *Born in 1961*
Business Area Director, IDC
With Beijer Electronics since 2008.
Holdings in Beijer Electronics AB:
2,000 shares.



Berndt Köhring *Born in 1965*
VP APAC
With Beijer Electronics since 2011.
Holdings in Beijer Electronics AB:
1,430 shares.



Henrik Dalby Damm *Born in 1965*
VP Sales EMEA
With Beijer Electronics since 2013.
No holding in Beijer Electronics AB.



Roger Kroon *Born in 1965*
VP Sales Nordics
With Beijer Electronics since 1998.
Holdings in Beijer Electronics AB:
2,700 shares.



Barry Hobbs *Born 1952*
VP Sales Americas
With Beijer Electronics since 2010.
Holdings in Beijer Electronics AB:
1,400 shares.

Five-year Summary

SEK 000	2013	2012	2011	2010	2009
Income Statement					
Net sales	1,376,187	1,367,163	1,417,705	1,232,321	1,088,451
Other operating revenue and operating expenses	1,509	-2,423	349	3,445	1,196
Operating expenses	-1,290,329	-1,265,200	-1,267,784	-1,111,444	-1,025,836
Operating profit	87,367	99,540	150,270	124,322	63,811
Net financial income/expense*	-15,493	-26,419	-17,292	-4,301	-2,872
Profit before tax	71,874	73,121	132,978	120,021	60,939
Estimated tax	-27,508	-19,765	-33,854	-30,534	-20,759
Net profit	44,366	53,356	99,124	89,487	40,180
<i>Attributable to parent company shareholders</i>	<i>44,218</i>	<i>49,939</i>	<i>95,288</i>	<i>87,358</i>	<i>38,718</i>
<i>Attributable to minority interests</i>	<i>148</i>	<i>3,417</i>	<i>3,836</i>	<i>2,129</i>	<i>1,462</i>
<i>* of which non-recurring items</i>	<i>-5,633</i>			<i>-1,681</i>	<i>-7,500</i>

	2013	2012	2011	2010	2009
Balance Sheet					
Assets					
Fixed assets	850,863	776,692	804,954	783,325	494,034
Current assets	458,020	518,834	502,405	458,981	313,781
Cash and cash equivalents and short-term investments	147,926	128,469	178,258	105,064	127,439
Total assets	1,456,809	1,423,995	1,485,617	1,347,370	935,254
Equity and liabilities					
Equity attributable to parent company shareholders	391,363	384,400	394,708	318,970	276,966
Non-controlling interest	4,800	21,316	18,886	27,640	15,056
Long-term liabilities	544,766	545,613	618,329	659,411	389,856
Current liabilities	515,880	472,666	453,694	341,349	253,376
Total equity and liabilities	1,456,809	1,423,995	1,485,617	1,347,370	935,254
<i>Of which interest-bearing liabilities</i>	<i>707,776</i>	<i>650,091</i>	<i>633,929</i>	<i>478,261</i>	<i>370,537</i>
Key Financial Ratios					
Operating margin, %	6.3	7.3	10.6	10.1	5.9
Operating margin before non-recurring items, %	6.8	7.3	10.6	10.2	6.6
Profit margin, %	3.2	3.9	7.0	7.3	3.7
Equity ratio, %	27.2	28.5	27.8	25.7	31.2
Equity per share, SEK ^{a, b}	20.5	20.2	20.7	16.7	14.5
Earnings per share, SEK ^a	2.32	2.62	5.00	4.58	2.03
Return on equity after tax, %	11.1	13.0	26.1	28.0	13.7
Return on capital employed, %	8.8	9.6	16.2	16.9	9.4
Return on net operating assets, %	14.0	15.1	20.9	20.7	13.6
Average number of employees	776	752	731	538	534

a In 2013, the number of shares increased through the issue of 133,122 new shares and amounts to 19,067,586 (18,934,464 for previous year).

Equity per share and earnings per share for previous periods have been restated.

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

	2013	2012	2011	2010	2009
Cash Flow Statement					
Cash flow from operating activities before change in working capital	115,803	93,331	160,514	135,559	83,659
Change in working capital	92,107	6,447	-104,028	-21,485	89,798
Cash flow from investing activities	-140,871	-49,778	-108,906	-205,744	-27,754
Cash flow from financing activities	-20,187	-53,421	159,715	101,649	-65,722
Dividend paid	-23,668	-43,503	-37,968	-25,325	-26,048
Change in cash and cash equivalents	23,184	-46,924	69,327	-15,346	53,933
Cash and cash equivalents at beginning of year	128,469	178,258	105,064	127,439	74,076
Exchange rate difference in cash and cash equivalents	-3,727	-2,865	3,867	-7,029	-570
Cash and cash equivalents at end of year	147,926	128,469	178,258	105,064	127,439

Change of Accounting Principle

After January 1, 2013, the group no longer applies the corridor rule for recognizing pension obligations. Actuarial gains and losses on pension obligations are now recognized in other comprehensive income when they occur. Comparative figures have been restated.

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 2013. 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.

New Share Issue

Beijer Electronics conducted a new share issue in June 2013, which increased the number of shares by 133,122, and share capital by 44,374 SEK. The new share issue was preceded by subscription for new shares through the exercise of share warrants in the 2008/13 series, as approved by the AGM 2008.

Share Price and Turnover

In terms of bid price, the share price was 67.50 SEK on December 31, 2013, against 62.00 SEK at year-end 2012, implying an increase of 9% in the year. In the same period, the Stockholm Stock Exchange's broad-based index OMXS increased by 23%. The Beijer Electronics share traded at a high of 75.75 SEK and a low of 58 SEK in the year. Share turnover was 2.6 million shares, or 13% of the total number of shares. In value terms, share turnover was 170 MSEK.

Earnings per Share

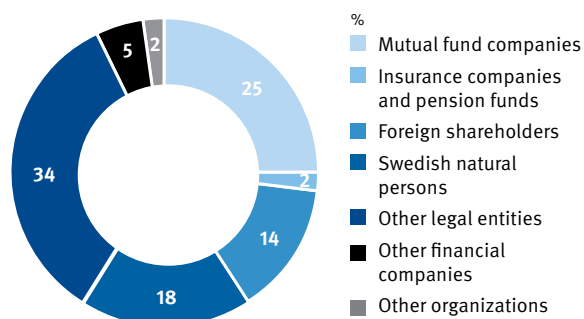
Earnings per share after tax were 2.32 SEK (2.62).

Dividend

The Board of Directors proposes a dividend of 1.25 SEK (1.25) for the financial year 2013. Dividends are 54% (47) of profit after tax. The dividend is 6.1% (5.5) of equity per share. The proposed dividends imply a dividend yield of 1.9% (2.0) as of the closing price at year-end 2013.

Shareholder Categories, Share of Equity

Source: Euroclear



Share Data

	2013	2012	2011
Earnings per share, SEK ^a	2.32	2.62	5.00
Dividend, SEK ^b	1.25	1.25	2.25
Pay-out ratio, %	54	47	45
Equity per share, SEK ^a	20.5	20.2	20.7
Return on equity, %	11.1	13.0	26.1
Closing price, SEK	67.50	62.00	60.80
No. of shares, million	19.1	18.9	18.9
Market cap., MSEK	1,287	1,174	1,151

^a Values for 2012 and 2011 have been restated after new share issue completed in 2013.

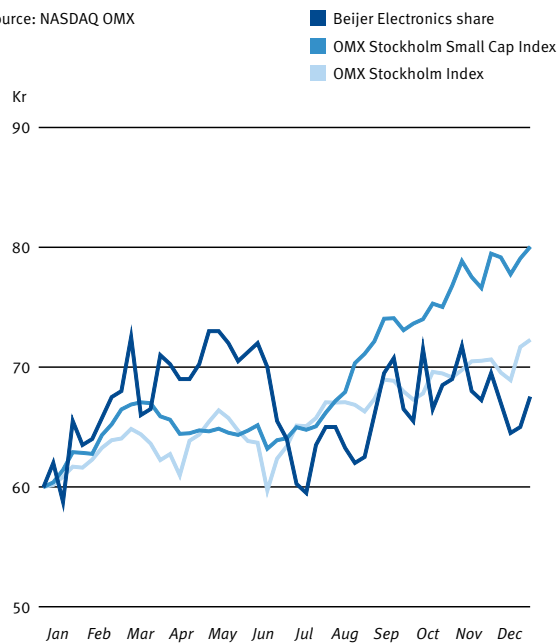
^b The amount for 2013 is proposed dividend.

Ownership by Size of Shareholdings as of December 30, 2013

Holding	No. of Shareholders	No. of Shares	Holding, %	Votes, %	Market Value, SEK 000
1–500	2,292	335,276	1.76	1.76	22,631
501–1,000	483	356,753	1.87	1.87	24,081
1,001–5,000	530	1,173,280	6.15	6.15	79,196
5,001–10,000	85	585,695	3.07	3.07	39,534
10,001–15,000	25	322,357	1.69	1.69	21,759
15,001–20,000	15	255,343	1.34	1.34	17,236
20,001–	45	16,038,882	84.12	84.12	1,082,625
Total	3,475	19,067,586	100.00	100.00	1,287,062

Stock Index

Source: NASDAQ OMX



Shareholders as of December 30, 2013

	No. of Shares and Votes	Proportion, %
Stena Sessan Rederi AB	5,680,116	29.79
Lannebo Fonder AB	1,858,607	9.75
SEB Asset Management S A	1,617,784	8.48
SEB Investment Management	1,434,474	7.52
Fjärde AP-Fonden	937,561	4.92
AMF Försäkring och Fonder	554,000	2.91
Skandia Fonder	473,378	2.48
T. Bjurman incl. family and companies	412,850	2.17
DnB Carlson Fonder	333,076	1.75
Beijer Electronics-koncernens Personalstiftelse	210,000	1.10
Total, owners with shareholdings exceeding 200,000 shares, ten	13,511,846	70.87
Other shareholders, 3,478	5,555,740	29.13
Total, 3,488	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 controller

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

Softmotion

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 and Taxes.

Equity per share

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

Equity ratio

Equity in relation to total assets.

Operating margin

Operating profit in relation to net sales.

Profit margin

Net profit in relation to net sales.

Return on capital employed

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

Return on equity after tax

Net profit in relation to average equity.

Return on net operating assets

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



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

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

Shareholders of Beijer Electronics AB (publ) are hereby invited to the Annual General Meeting (AGM) to be held at 4 p.m. on Wednesday, April 23, 2014 at Malmö Börshus, Skeppsbron 2, Malmö, Sweden.

Entitlement to Participate in the AGM

For entitlement to participate in the AGM, shareholders should:

- First, be included in the share register maintained by Euroclear Sweden AB by no later than Tuesday, April 15, 2014;
- Second, notify the company of their intention to participate, and assistants they may wish to bring, by no later than Tuesday, April 15, 2014.

Notification

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

If participation is through power of attorney, a dated original should be sent to the company by no later than April 15, 2014. Power of attorney forms are available to order from the company by telephone, e-mail or mail as above. Representatives of legal entities should present certificates of incorporation or equivalent documentation stating authorized signatories. In order to participate at the Meeting, shareholders' with nominee-registered holdings must temporarily register their shares in their own name. Shareholders should request such temporary re-registration with their nominees in good time before April 15, 2014.

Dividend

The Board of Directors is proposing an ordinary dividend of 1.25 SEK per share for the financial year 2013. The proposed record date for the dividend is April 28, 2014. Dividends are scheduled for payment via Euroclear Sweden AB on May 2, 2014.

Financial Information 2014

April 23, 2014..... AGM, 4 p.m. at Malmö Börshus
April 23, 2014.....Three-month Interim Report
July 11, 2014.....Six-month Interim Report
October 22, 2014.....Nine-month Interim Report

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

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

Invitation to the Annual General Meeting

AUSTRIA

Himberg

BELGIUM

Hellebecq

BRAZIL

São Paulo

CHINA

Beijing

Shanghai

Shenzhen

Wuhan

Zhengzhou

DENMARK

Roskilde

ESTONIA

Tallinn

FINLAND

Jyväskylä

Kempele

Tampere

Ulvila

Vantaa

FRANCE

Champlan

GERMANY

Unterensingen

Waghäusel

INDIA

Pune

LATVIA

Riga

LITHUANIA

Kaunas

MALAYSIA

Kuala Lumpur

NORWAY

Bergen

Drammen

Stavanger

Ålesund

SINGAPORE

Singapore

SOUTH KOREA

Seoul

SWEDEN

Göteborg

Jönköping

Malmö

Mariestad

Piteå

Stockholm

Stora Sundby

Västerås

SWITZERLAND

Zürich

TAIWAN

Taipei

TURKEY

Istanbul

UNITED KINGDOM

Southampton

USA

Atlanta, GA

Chicago, IL

Houston, TX

Minneapolis, MN

Salt Lake City, UT

San Francisco, CA

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